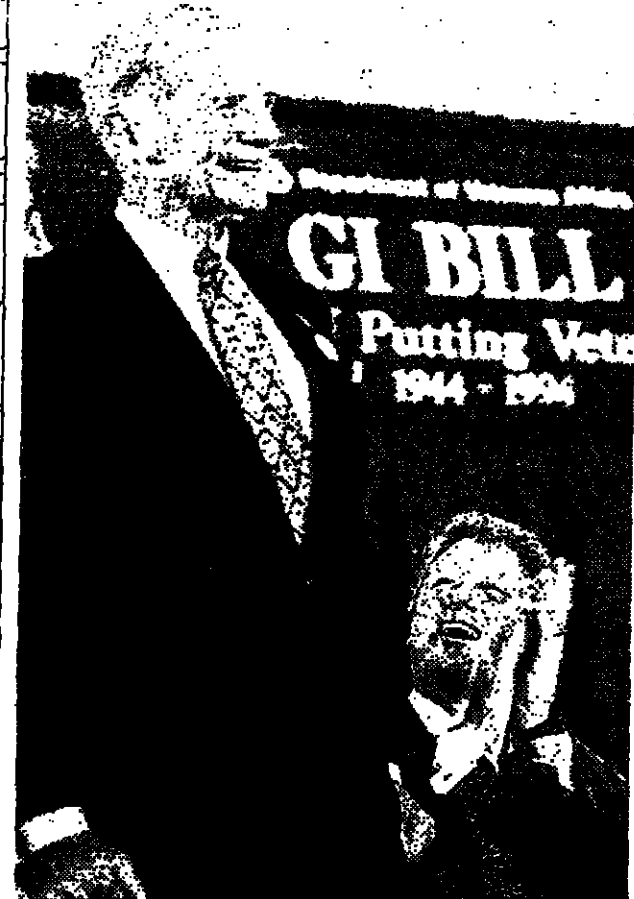


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THE AMERICAS / BACK ON THE FRONT PAGES

★ POLITICAL NOTES ★



Paul J. Mander/The Associated Press

APPLAUSE FOR A VETERAN — G. V. Montgomery, Democrat of Mississippi, receiving applause from Bill Clinton on the 50th anniversary of the GI Bill of Rights. Mr. Montgomery, a World War II veteran who heads the House Veterans' Affairs Committee, sponsored an extension of the bill's education benefits.

Health Coverage Plan Spares Employers

WASHINGTON — Moderate Democrats and Republicans on the Senate Finance Committee are approaching agreement on a national health insurance plan that would require people to buy health insurance for themselves and not make employers buy it.

If the three Republicans and five Democrats can agree among themselves, they will present their plan to the other 12 members of the committee Friday. They said they thought they could get enough votes to have the committee then send the measure to the full Senate for debate.

Deadlock in the Finance Committee has presented the most severe congressional threat to hopes of passing legislation that would insure all Americans. Many supporters of that goal said it was a major step toward the overhaul of the nation's health care system. Some members of the committee said they had reservations about the proposal but would vote for it anyway to keep the process going.

The Clinton administration was tentatively friendly to the center efforts. Hillary Rodham Clinton, after meeting with Democratic senators at lunch, said that she would not comment on the plan because she did not know its details. But she added, "I am encouraged by what I hear is very substantive discussion."

Some Republicans were more dubious. Senator Bob Dole of Kansas, the minority leader, said that he was preparing an alternative plan and that "I think we are still a long way from any consensus either in the committee or in the full Senate."

While the compromise plan was not available in writing, senators and aides described some major features.

The plan would provide subsidies for people who cannot afford to buy their insurance. The requirement that people buy their own insurance would not come into effect until 2002, they said. And it would take effect only if other methods to spread health insurance — like laws to make it easier for small businesses to join together and bargain for good rates, or a ban on excluding people with pre-existing medical problems — had not led to either 95 percent or 96 percent of the American people's being insured.

(NYT)

Rights Group Criticizes U.S. Arms Sales

WASHINGTON — Amnesty International USA criticized the Clinton administration for continuing to sell arms or provide military training to 19 nations that the group claims have repeatedly committed human rights abuses, including such stalwart U.S. allies as Saudi Arabia, Turkey, Egypt, Israel, and Thailand.

The human-rights organization charged that despite a re-packaging and scaling back of Washington's security assistance effort last year, "the bottom line has not changed from previous administrations. The U.S. provides weapons, training, and funds to human-rights violators and does little to monitor how they may be used."

A report by the group said that in the fiscal year 1993, the administration plans to sell nearly \$30 billion worth of conventional arms and provide \$5.4 billion worth of economic and military assistance to U.S. allies that engage in practices such as systematic suppression of political dissent, torture of prisoners, and fomenting of ethnic or religious violence.

(WFP)

Quote/Unquote

President Clinton at the Democratic Party fund-raiser in Washington: "We must not become mired in the cynicism and the negativism that dominates the debate here in Washington every day." (Reuters)

Away From Politics

• An Indiana woman was found guilty of shooting and killing a Methodist minister, her former boyfriend, in front of his congregation and daughter. Elizabeth Mayberry, 37, will be sentenced July 20 for killing the Reverend Roland Phillips Jr. She had pleaded innocent by reason of insanity in the Sept. 19, 1993, killing. She faces a term of up to 60 years and may receive psychiatric treatment in prison.

• The state of Delaware has executed 45-year-old Andre Deputy for his role in the brutal double slaying of an elderly couple, who were robbed to finance a drinking binge. It was the fourth execution in Delaware and the 245th nationwide since a 1976 Supreme Court ruling allowing states to resume using the death penalty.

• A study by the Search Institute of adopted adolescents and their families in Colorado, Illinois, Minnesota and Wisconsin has found that these teenagers were no more likely than other adolescents to suffer from mental health or identity problems. Of the adopted teenagers, 55 percent scored high on measures of self-esteem, compared with 45 percent of all teenagers in the institute's previous, larger study of adolescents nationwide. AP, Reuters, NYT

Diplomat or Meddler, Carter Is Back in the Game

By Elaine Sciolino
New York Times Service

WASHINGTON — In the 14 years since he left the White House, Jimmy Carter has monitored elections, mediated disputes, promoted democracy and worked to eradicate illnesses like Guinea worm disease.

But it took an unusual visit to North Korea last week to thrust the former president back onto the front pages and into a foreign policy mainstream that has had officials and commentators arguing for a week about whether he was making peace or just making trouble.

Now President Bill Clinton has announced that he will restart talks between Washington and Pyongyang next month after North Korea's pledge, first made to Mr. Carter, to freeze its nuclear program.

Suddenly, some — but not all — of the same officials who complained that Mr. Carter had been duped by a dictator are praising him for his diplomatic daring. And suddenly, although perhaps temporarily, Mr. Carter has been vindicated.

For months, Mr. Carter had been asking the administration to allow him to play a foreign policy role, writing 1991, but the Bush administration blocked it. The Clinton administration gave him the go-ahead.

Mr. Carter said he was alarmed by the possibility of a confrontation with

Middle East, senior administration officials say.

But both Mr. Christopher and the national security adviser, W. Anthony Lake, had been reluctant to dispatch their former boss to distant capitals. "If you have free-lancers running around you lose control and you find yourself in awkward positions," one senior official said.

Another reason for the arm's length attitude was Mr. Carter himself.

He is so fiercely independent that in 1987, despite strong suggestions from the Reagan administration's State Department that he stay home, he went to Syria for a bit of peacemaking. He was given head-of-state treatment and ended up praising President Hafez Assad for doing all he could to help free American hostages in Lebanon.

It was Mr. Carter who, in one of his first major foreign policy decisions as president, began the withdrawal of U.S. troops from South Korea, a move soon reversed but not forgotten or fully forgiven in Seoul. But the former president, who was trained as a nuclear engineer in the navy, is nothing if not determined.

North Korea first sent Mr. Carter an open-ended invitation to visit in early 1991, but the Bush administration blocked it. The Clinton administration gave him the go-ahead.

Mr. Carter said he was alarmed by the possibility of a confrontation with

North Korea that was laid out for him at a three-hour intelligence briefing that Mr. Clinton arranged for him at his home in Plains, Georgia. The former president felt he had to get himself reinvented so that he could talk to President Kim Il Sung face-to-face.

"I decided, on my own initiative, to question the North Koreans about

whether my invitation for a visit still was effective," Mr. Carter told a group of reporters in Washington on Sunday.

After the North Koreans said it was, Mr. Carter phoned Vice President Al Gore to tell him he was "strongly inclined to accept," Mr. Gore took the matter to Mr. Clinton, who approved.

By the time the State Department got wind of the plan, senior officials said, it was too late to undo.

So the administration decided to try to have it both ways. Mr. Carter was briefed extensively. If the trip failed, the White House could distance itself by saying that Mr. Carter was just a private citizen. If it succeeded, the White House could take credit, as Mr. Clinton did Wednesday.

Indeed, Mr. Clinton appeared to elevate Mr. Carter from an independent operator into a formal emissary, calling him "a distinguished American private citizen" who was sent to "communicate the position of our administration" and who "made a very persuasive case."

For some officials those words could not erase a different impression.

There were two instances that particularly rankled administration officials.

At one point while Mr. Clinton's senior advisers were discussing North Korea at the White House on Thursday afternoon, Washington time, Mr. Carter called to tell Assistant Secretary of State Robert L. Gallucci that he was about to go public on CNN announcing a proposal made to him by Mr. Kim to freeze its nuclear program.

Senior officials were horrified and the meeting disintegrated into a heated debate on how to respond, according to officials familiar with the meeting.

Mr. Gore argued that the proposal was an opportunity that must not be missed and that the United States needed to issue a strong statement embracing the North Korean proposal. Mr. Christopher urged extreme caution and said the administration had to stay on course with its drive for sanctions. Mr. Lake tried to broker a deal.

At one point, when Leon Fuerth, Mr. Gore's top foreign policy adviser,

was arguing that the statement should contain language suggesting a breakthrough, Deputy Secretary of State Strobe Talbott told him bluntly, "I couldn't disagree with you more."

The result was a statement with a dual message — an embrace of the proposal if it was real, and a pledge to continue to consult on sanctions at the United Nations.

And then, even though Mr. Lake read it slowly and carefully twice to him, Mr. Carter botched his lines. As a CNN camera rolled, he told Mr. Kim during a sail on his yacht that the administration had backed off its strategy of pursuing sanctions.

On Sunday, Mr. Carter acknowledged to journalists that he had made a mistake. "It's my fault," he said.

But that was before the North Koreans reaffirmed their pledge to Washington. No matter that the pledge essentially goes no further than what the North Koreans have promised before and simply may have bought them time to pursue their weapons program.

No matter that Washington has suspended its call for sanctions and a key condition for face-to-face negotiations: that North Korea first come clean about past diversions of plutonium.

In the words of Mr. Carter to CNN after Wednesday's announcement, "It really was kind of like a miracle."

Mr. Gore's top foreign policy adviser,

North Korea Set for 'Fair And Equal' U.S. Talks

By Sara Rimer
New York Times Service

LOS ANGELES — For nearly half her life, Nicole Brown Simpson was known as O.J. Simpson's girlfriend, his wife, then his former wife. But in her last days, after she had broken off efforts to get back together, she had been struggling to be Nicole Brown.

Hours before Mrs. Simpson was killed, she and her family — her two children, her parents, two of her sisters — were celebrating her freedom at Mezzaluna, one of her favorite neighborhood restaurants.

"She was just so vivacious, so full of life," her older sister, Denise Brown, said in a telephone interview on Wednesday.

"She had just gotten it all together, and it was so exciting," she said. "I was so happy for her. For the first time in her life, she was able to have her own friends. We were talking about going to Yosemite, camping, taking the kids to Club

A Short-Lived New Beginning

Sister Says Nicole Simpson Was Ready 'to Start Life Over'

By Sara Rimer
New York Times Service

Med. Everything was going to revolve around the kids.

"She was so happy," Ms. Brown said. "She had broken up with O.J. a week and a half before. She was going to start her life over. It was going to be without O.J., with her children. Funny thing, she still loved O.J. She just couldn't live with him."

Sometime after she left the restaurant that evening, Mrs. Simpson was slain on the steps of her townhouse. She had just turned 35.

Even now, it is her former husband, charged with the murder of Mrs. Simpson and a friend, Ronald Goldman, who is drawing all the attention.

There is an extensive record of his public life — as a football hero, a television pitchman, Hollywood actor, the man about town with the beautiful blonde wife on his arm. Far less is known about Nicole Brown, and her life with O.J. Simpson.

"She was totally, totally devoted to this man," Denise Brown said. Then, referring to Mr. Simpson's best friend, Al Cowling, who helped him flee the police last Friday, she added, "Even A.C., he says to me, 'Denise, I could not believe a woman could love a man as much as she did, bringing him coffee every morning, in bed.' Every morning for how many years — 18 years — she was so in love with him."

They fell in love when she was a teenager, and until their divorce in 1992 they seemed to define the California dream.

His life was her life. The \$5 million mansion in Brentwood, on the same street as Meryl Streep, the actress, and Michael Ovitz, chairman of Creative Artists Agency. The \$2 million oceanfront house in Laguna Beach. His and her Ferraris. Vacations in Vail, Colorado, and Mexico.

But there was a price. Friends of the couple said he tried to control the relationship and even after their divorce appeared to be possessive about her.

Several times in the last years of their marriage, she called the police to the Brentwood home.

After a New Year's Eve party in 1989, a frantic Nicole Simpson telephoned the police again. As officers arrived, friends of Mrs. Simpson said later, she ran out of the bushes, yelling, "He's going to kill me! He's going to kill me!" She had a cut lip, a swollen black eye, a bruised

In '93, a Desperate Call for Help

The Associated Press

LOS ANGELES — An enraged O.J. Simpson kicked in a door to his former wife's home last year after becoming upset earlier in the day over a picture of an old boyfriend in her photo album, according to police records.

"My ex-husband has just broken into my house and he's ranting and raving outside in the front yard," a frantic Nicole Brown Simpson told a 911 dispatcher.

"Has he been drinking or anything?" the dispatcher asked. "No," Mrs. Simpson replied. "But he's crazy."

Audiotapes released Wednesday document the episode eight months before she and a friend, Ronald Goldman, were killed. Mr. Simpson has pleaded not guilty to murder.

On Oct. 25, 1993, Mrs. Simpson placed two frantic calls to the 911 emergency number.

The dispatcher sent officers to the scene. Mrs. Simpson hung up but called back less than a minute later to say her former husband had returned and had "broke the back door down to get in." She cried and pleaded for police to come.

The dispatcher said police had been notified, tried to calm her and asked her to stay on the line.

"I don't want to stay on the line," Mrs. Simpson replied. "He's going to beat the s--- out of me." But she did continue talking, saying she was worried about her children, who were sleeping upstairs.

"He's... going nuts," she sobbed later, and told the dispatcher that similar confrontations had occurred "many times." During the call, Mr. Simpson could be heard swearing and yelling in the background.

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EU Leaders, on Corfu, Set Sights Low

By Tom Buerkle
International Herald Tribune

CORFU, Greece — As Europe's leaders descended Thursday on this sun-baked island, the mood, like the dress of the tourists, was distinctly minimalist. Despite the challenges of record-high unemployment and dangerous instability to the East, the will for action is weak. Prime ministers such as John Major of Britain and Felipe González of Spain are

NEWS ANALYSIS

in political trouble at home: Germany and France are preoccupied with coming elections; and Greece, the host country, is at diplomatic war with its European Union partners over its blockade of the former Yugoslav republic of Macedonia. The timidity of leaders has been reinforced by public disenchantment with European integration, which fueled big gains by anti-Union rightist parties in the recent elections for the European Parliament.

EU leaders are so wary of the Euro-skepticism that the selection of a new European Commission president, the main topic of the meeting, has degenerated into a personal battle between the two leading candidates and their supporters, with virtually no discussion of their vision for the Union's future.

"We are in a period where people are

still living under the shock of the Maastricht treaty," an EU diplomat said. Rejection of that 1992 accord by Danish voters set off a debate between EU integrationists and nationalists that remains unsettled.

"We are still in a transitional period," he said.

On Europe's most pressing issue, jobs, the Commission president, Jacques Delors, warned EU leaders earlier this week to keep up the attack on structural barriers to employment instead of drawing comfort from the "allure of economic recovery."

But in the current anti-EU climate, the leaders' discussion of Mr. Delors' white paper on jobs and competitiveness was expected to be little more than a review of what member governments are doing to reduce payroll taxes, remove rigid labor rules and improve training.

And conceding to strong opposition from national governments, Mr. Delors indicated he would drop his campaign for EU borrowings to finance cross-border road and rail networks.

The meeting will be judged by whether the leaders can agree on a candidate to replace Mr. Delors as head of the EU executive agency. Failure to do so at a working dinner Friday evening would be an embarrassing sign that the Union was not capable of reaching a decision on

such a crucial issue," said Prime Minister Andreas Papandreu of Greece.

Prime Minister Jean-Luc Dehaene of Belgium seemed to have the post locked up after Christian Democrat leaders agreed in Brussels on Wednesday that the candidate with majority support should win.

With as many as eight EU states, including France and Germany, behind Mr. Dehaene, that was a polite way of suggesting that Ruud Lubbers, the Dutch prime minister, should step aside. But Mr. Lubbers gave no hint of withdrawing quickly, raising the prospect that Chancellor Helmut Kohl might have to call another summit meeting in early July when Germany takes up the rotating EU presidency.

Given the problems at home, EU leaders will be only too happy to turn their attention abroad.

The accord will lift most EU quotas on Russian exports, provide for mutual investment guarantees and hold out the prospect of a free-trade agreement.

The real test for the leaders, though, will be whether they can agree on a strategy for aiding economic reform in Ukraine and shutting that country's remaining nuclear reactors at Chernobyl.

EU leaders also will sign membership treaties with the leaders of Austria, Finland, Sweden and Norway, who will get a seat at the summit table for the first time.



The Norwegian leader Gro Harlem Brundtland with Mr. Delors on Corfu. Membership treaties with Norway, Austria, Finland and Sweden are to be signed on Friday.

Seeking To Stay On, Hata Offers To Resign

By T. R. Reid
Washington Post Service

TOKYO — Prime Minister Tsutomu Hata offered Thursday to quit his job in order to keep it.

Mr. Hata called a press conference and hinted that, to induce the Socialist Party to join his governing coalition, he would disband his cabinet and resign from office.

In return, the Socialists would be expected to help him form a new cabinet that would presumably be stronger than the minority government that Mr. Hata now presides over.

If that ploy doesn't work, Mr. Hata's government could be felled by a no-confidence vote in the Diet, or Parliament. The Liberal Democratic Party, the largest opposition group, formally submitted a no-confidence motion, although it may never come to a vote.

The Socialists are in a position to demand obedience from Mr. Hata because they hold the balance of power right now in Japan's fractured political world. Mr. Hata met Thursday with the Socialist Party head, Tomichi Murayama, with no conclusive result. More negotiations were expected on Friday.

In the aftermath of the historic election last July that ended four decades of conservative one-party rule, this nation has faced unusual political confusion as it adjusts to the new era of multiparty democracy.

Mr. Hata currently heads a centrist coalition government comprising six parties. But the coalition does not have enough votes to control the Diet.

After Mr. Hata formed his coalition government in April, the chief opposition parties agreed to let him hold office until he could win approval of the national budget for the current year. The budget, finally passed the upper house of the Diet on Thursday. With that, Mr. Hata and his cabinet became fair game for the opposition.

But exactly how things would turn out was anybody's guess Thursday night.

But Mr. Hata's coalition does not have enough votes on its own to be sure of defeating a no-confidence bill. He needs help from other parties, and the Socialists look like his best bet.

The Socialists were part of the coalition government that took control in Japan last summer under the leadership of former Prime Minister Morihiro Hosokawa. But when Mr. Hosokawa resigned in April and Mr. Hata emerged as the new coalition leader, the Socialists walked out of the coalition.

They were angry because centrist members of the coalition had formed a new centrist party. This party had more Diet members than the Socialists, thus denying the Social Democratic Party its cherished rank as the biggest party in the coalition.

Nigeria Seizes Fugitive Who Claims Presidency

Compiled by Our Staff From Dispatches

LAGOS — Nigerian police arrested the country's most important opposition leader, Moshood K. O. Abiola, on Thursday after he defied the military junta.

Mr. Abiola, who unofficially won an annulled presidential poll last year, was arrested at his home in Lagos after addressing a rally. He was taken to the federal capital, Abuja, his aides said.

Hundreds of youths chanting anti-government slogans and calling for the immediate release of Mr. Abiola held a peaceful march late Thursday through the commercial center of Lagos. They carried placards reading "Release Abiola, our president now" and "Away with the military regime."

The police did not try to stop the march.

The U.S. Embassy said the arrest raised "very serious questions with respect to the Nigerian government's commitment to restoring unhindered, civilian democracy and resolving

the political crisis created by the annulment of the June 12, 1993, presidential election."

Mr. Abiola had pledged to a rally of about 2,000 people Wednesday that he would form a government. It was his first public appearance since giving police the slip and declaring himself president and commander in chief of the armed forces on June 11.

Mr. Abiola also vowed at the time to submit a cabinet list to the dissolved Senate for approval "within 30 days."

Other opposition leaders arrested during a month of growing resistance to General Sani Abacha's government have been detained in Lagos and charged with treason.

The election was seen as free and fair by international observers, but annulled by the junta leader at the time, Ibrahim Babangida. He stepped down in August in favor of an unelected civilian administration, which General Abacha overthrew three months later.

(AFP, Reuters)

Hong Kong Snag Eased, British Say

Agence France-Presse

HONG KONG — Britain reported Thursday that it was on the threshold of an agreement with China about the future of disputed military territories in Hong Kong, but the Chinese side wanted more concessions.

The fate of several valuable British military sites scattered around Hong Kong has been up in the air for seven years. China wants them for its armed forces after the 1997 turnover of the colony.

Britain favors transferring the bulk of the military lands to civilian use, which could go a long way to easing a severe land shortage.

Prospects for an agreement soared as the Joint Liaison Group — the diplomatic body charged with working out details of Hong Kong's return to China — rescheduled its third and final meeting from Thursday to Monday to enable specialists to deal with the military lands issue.

"I think the conditions are right for an overall agreement on Monday, but that of course depends on the efforts of both sides," Alan Paul, the chief British negotiator at the talks, said after meeting Chen Zuoren, the Chinese negotiator.

"I don't think the gap is very big," he added. "It's certainly a lot smaller than what it was some time ago."

Mr. Chen was more cautious, however, repeating Beijing's view that Britain is the one stalling progress. "We still have work to do," he said as he pushed through reporters.

The newspaper Eastern Express said that "in a final act of brinkmanship," Britain had told China an agreement must come by early July if all military sites are to be ready by 1997.

There is pressure to resolve the issue before the summer recess of the Legislative Council, starting in mid-July.

Legislators are set to adopt the final stage of Governor Chris Patten's democratic reform proposals, which until recently had cast a shadow over cooperation on the turnover.

Queen's Yacht, The Britannia, To Be Retired

Reuters

LONDON — Queen Elizabeth's personal liner, the royal yacht Britannia, will be taken out of service in 1997, Defense Secretary Malcolm Rifkind told Parliament on Thursday.

He said the queen would be consulted on another use for the vessel, but that it would no longer go to sea. The government will consider whether the ship should be replaced. Launched in 1953, it costs about £8.5 million (\$12 million) a year to run. It was designed to be a hospital ship in wartime, but never served in that capacity.

The Britannia is used mainly as the queen's home on many overseas tours. Earlier this month, it ferried world leaders, including the queen, President Bill Clinton and Prime Minister John Major, from Britain to France for ceremonies marking the 50th anniversary of the D-Day landings in Normandy.

KOREA: China Hails North Korea-U.S. Move to Talk in Dispute

Continued from Page 1

North had a nuclear bomb or was developing one. He reiterated Beijing's desire for a nuclear-free peninsula.

Both South Korea and Japan welcomed the news that talks with North Korea would be starting again, but there was some concern about how cooperative Pyongyang will actually turn out to be.

In a telephone conversation with President Clinton, President Kim Young Sam of South Korea expressed cautious optimism about the situation in the North, the South Korea government said.

Mr. Kim said North Korea's reported willingness to freeze its nuclear development pending talks with the U.S. is a hopeful sign. Meanwhile, he said, the apparent movement toward a North-South summit meeting this summer is another positive development.

The planned summit meeting between Mr. Kim and his North Korean counter-

part, Kim Il Sung, would be the first since the Korean Peninsula was divided at the dawn of the Cold War.

The session was brokered by former President Jimmy Carter during a trip to the two Koreas last week.

South Korea's government had originally been skeptical that a summit meeting would actually take place. But now the North Korean leader has suggested a specific time and place — he proposes a meeting in Pyongyang on Aug. 15, Korea's independence day — hopes are rising in Seoul that the prospects are stronger.

Kim Young Sam told Mr. Clinton during the telephone call that another hopeful sign is North Korea's quick agreement to take place in a staff-level meeting scheduled for June 28 to plan the summit.

Officials in Japan and South Korea were both eager to learn whether North Korea's agreement with Mr. Clinton means that Pyongyang will permit international inspection of the waste sites at its nuclear

facilities in Yongbyon, north of Pyongyang.

Mr. Clinton made no such claim when he announced what he described as a "positive development."

North Korea has refused to allow such inspection, which would help determine how much plutonium it has stored so far. During a news conference Thursday, Foreign Minister Han Sang Jop of South Korea said he would assume that the new agreement with Mr. Clinton "includes North Korea's compliance in explaining its past nuclear activities," according to the Yonhap News Agency in Seoul.

Tokyo also welcomed the news, but with some reservations.

Responding to questions Thursday in Parliament, Foreign Minister Koji Kakizawa said both the agreement for talks with the U.S. and the plans for a North-South summit meeting were positive signs. But he said Japan's goal remained seeing North Korea return to "full compliance" with nonproliferation.

NICE: Some Now See Mandela as Too Accommodating

Continued from Page 1

complaints of too much Mr. Mandela's silence when his defense minister tried to suppress publication of documents exposing dirty tricks in the military; his seeming waffling over amnesties for many crimes committed against the liberation movement; his reluctance to purge police officers accused of atrocities; his support for expanding South African arms exports, and his acquiescence in substantial raises for the new government.

After an election campaign in which the white government was mercilessly attacked as fat cats, the new members of Parliament accepted raises to \$55,000 a year — income levels wealth to most black South Africans — and many complained it was still not enough to make ends meet.

The Congress of South African Trade Unions, Mr. Mandela's closest union ally, said the new government had succumbed to "the gray train mentality which had permeated apartheid parliaments," an

opinion widely echoed in the streets.

As president, Mr. Mandela is both very visible and easy to ignore.

He appears frequently in public, receiving foreign visitors, presiding over ceremonies, addressing conventions, but his public remarks are usually bland and general. Since the election campaign, he has replaced his staff of spokesmen and speech writers, and the newcomers have yet to show any flare for setting a public agenda or dispelling minor embarrassments.

He seems eager to dampen the expectations that awaited his new government, here and abroad. At a meeting in Tunis this month, other African leaders tried to enlist him as an intermediary or peacekeeper in crises like Rwanda's. Mr. Mandela told them he had too many problems at home to come to the rescue of neighbors.

Behind the scenes, his incompromisable skill as a politician is applied to quelling potential division — for example, stifling the anger of his supporters in the Zulu province, who felt they were robbed by election fraud, and calming the resentment of tribal leaders who felt they were getting less attention than white separatists.

His state-of-the-nation speech a month ago laid out a modest first installment on social programs while dwelling on growth-oriented economic policies that could have been, and in part were, written by his predecessor, F.W. de Klerk, who now serves as second vice president.

The direction was confirmed Wednesday when Mr. Mandela's first budget was unveiled, a hold-the-line budget that extracted no new taxes except a one-time 5 percent income tax to pay for the more than \$1 billion in bills left over from the election and inauguration.

The next phase in the negotiated revolution, elections to replace white city councils with new democratic municipal governments, has been postponed from October to April or May of next year because of white resistance, to the dismay of many local black leaders.

There's a certain mind-set with them," he said. "If it's not ours, it's not worth having."

This source suggested that covert operations at large CIA stations, such as Bonn, could be reduced and the money used in Africa.

After a recent congressional briefing on the proposal, several legislators suggested "keeping a couple of the posts open," according to one participant.

The lawmakers pointed out that there was no CIA presence in Somalia in 1992, when the decision was made to send U.S. troops to that country. The CIA "cried because there was no body there, and they had to send someone back who had left two years earlier," a congressional source said.

"At least keep one person there in some countries was the message given that day," the source said, adding that Congress had fully funded last year's budget for covert human intelligence operations and would do so again this year.

Mr. Mirzayanov also said that the Russian military and civilian officials who invented the binary weapons planned to cite a technicality in the global agreement banning poison gas to keep working on them.

Mr. Mirzayanov was jailed in 1992 and 1993. Washington protested his arrest, and Russian authorities have since dismissed the case against him.

Some administration officials are skeptical about some of Mr. Mirzayanov's more alarming claims, but U.S. officials believe his statements that Russia has sought to develop binary weapons are credible.

In any event, administration officials who are reviewing the new Russian information say there is an important gap in the data — there is nothing in it about binary weapons.

"Our preliminary assessment is that the Russians have not disclosed information about what we believe to be a binary chemical weapons program," an administration official said.

Some officials say the failure to provide the information could be an oversight or the result of bureaucratic confusion. But since Washington has asked Moscow to

Mandela to Aid UN on Angola

Reuters

CAPE TOWN — President Nelson Mandela agreed Thursday to a United Nations request to help end nearly two decades of civil war in Angola, initially by meeting the UNITA rebel leader, Jonas Savimbi, for the first time.

He said after talks with the UN mediator, Alioune Blondin Beye, in Cape Town that he wanted to join rather than take over existing Angolan peace initiatives.

Mr. Mandela said he would telephone or send an envoy to see the Angolan president, José Eduardo dos Santos, in Luanda and would invite Mr. Savimbi to a meeting.

LOBBY: Deregulation on Agenda

Continued from Page 1

ought to be channeled, and what impact they might have.

Keidanren also faces internal conflict, as Japan's economy matures and comes under greater pressure to open wider to imports. Deregulation has become Keidanren's chief objective. Few doubt its value in reinvigorating Japan's economy with fresh competition and business opportunities. Yet while good for the whole, deregulation inevitably comes at the expense of individual companies, making agreement on specifics difficult.

"Even if deregulation proves painful to certain sectors of industry, it will benefit the entire society, so we must overcome these pains," he said. "Nobody in industry should consider themselves the only victim."

Mr. Toyoda has called on the government to eliminate half of Japan's economic regulations, which number more than 10,000, within five years. Keidanren has specifically asked for the lifting or relaxation of regulations on 196 items in seven sectors, including those affecting the opening of large retail outlets, import procedures and agricultural supports.

The government didn't let Toyota not to flood the American market without volume export restraints," he explained. "The Japanese government hasn't followed through on many of its promises."

"The key to progress lies in deregulation," he said in a recent speech. "Regulation provides the basis for excessive influence of politics and bureaucracy on the private sector. That influence is partly responsible for the insurmountable administrative guidance and incomprehensible practices that receive so much criticism from abroad."

In part, Mr. Toyoda's critical views of government intervention, and his pleas for politicians to act more responsibly to restore Japan's international trustworthiness, stem from direct experience at the helm of Japan's biggest automaker. Under strong government pressure, Japan's auto industry was until recently forced into "voluntary" restraints on exports to the United States.

"The government didn't let Toyota not to flood the American market without volume export restraints," he explained. "The Japanese government hasn't followed through on many of its promises."

Russia and U.S. Sign Oil Accord

New York Times Service

WASHINGTON — President Al Gore and Minister Viktor S. Chernin of Russia signed a series of agreements Thursday for massive oil exploration, U.S. companies and exploration on a space station.

The accord was the focus during three days between U.S. officials and Russian leaders, whose power is second only to President Boris N. Yeltsin. In a \$10 billion energy consortium, led by U.S. Oil, to develop oil and gas in the Sakhalin

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Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

The Dollar's Problem

At first glance it is a paradox. The outlook for the American economy is as good as it has been in decades, as the chairman of the Federal Reserve Board, Alan Greenspan, reassured Congress on Wednesday, but the exchange rate of the dollar is falling. Here is a clue to the explanation: the latest lurch downward was on Tuesday, the same day the government announced that the trade deficit was getting worse. The United States is not only running a gigantic trade deficit, but that deficit is growing bigger. There is likely to be a succession of unwelcome monthly figures on an upward trend, repeatedly reminding currency traders that the strain is increasing.

The United States is now in peril of being caught in the same stop-and-go trap as Britain in the 1960s. Whenever the British economy began to grow strongly in those years, it sucked in imports. That widened the trade deficit, and the strain on the currency soon forced the government to put on the brakes and end the recovery. The country went through three of those cycles before finally giving up and devaluing the pound (which set off a surge of inflation). The American economy is immensely stronger than Britain's three decades ago, but the mechanism is the same. A widening trade deficit tugs at the currency, and to protect it the government is confronted with the necessity of

slowing down economic growth. The British experience also shows, incidentally, that the alternative, devaluing the currency, is not much of a solution.

The question is why economic growth sets off such a disproportionate increase in the trade deficit. That is a sign of serious weakness. If all goes well, the American economy will expand this year by something over 3 percent. As a result, the trade deficit seems likely to rise nearly by half. At least part of the answer is that the domestic economy is now running pretty close to full capacity and cannot respond quickly to new orders. That is the result of a decade of low savings and under-investment. The big trade deficits began in the early 1980s, caused by the great Reagan tax cut of 1981. It was supposed to encourage more saving, but in fact it did just the opposite. Savings fell, and consumption, public and private, shot upward. Ever since then, the United States has depended on foreigners to finance its trade deficit.

The nature of the dollar's trouble is neither technical nor esoteric. Americans continue to consume more than they produce, and they are borrowing heavily from the rest of the world to cover the difference. The foreign lenders have evidently begun to hesitate. That is why the dollar is under pressure.

—THE WASHINGTON POST.

'Stability' at a High Price

The glow cast on Saudi Arabia by the splendid World Cup performance of its soccer team is, unfortunately, not reflected in its human rights record. The State Department has noted "pervasive" abuses. The advocacy groups have struggled against the Saudis' feudal secrecy to report on practices that include, Amnesty International says, "routine" use of torture against political and religious prisoners. No major country with such a bad record has received less international criticism for it. The contrast with the outpouring of attention to China's no less systemic abuses is stark and anachronistic.

The reasons for the contrast are clear. The Saudi leadership presents itself as vital to the United States for its oil, for its huge purchases of civilian as well as military goods and for its solicitude for American regional security interests. The regime runs a repressive one-family state, but it does so with shrewd use of its affluence, with some discretion and with gestures to collective consultation. As a result, it enjoys a reputation for moderation and stability — conditions, Saudis are quick to remind, in short supply in the Middle East. Then, too, some of the relatively few dissidents and reformers who do pop up in the country or in exile come from the Islamic fundamentalist flank, not from the modernizing West-

leaning professional-technocratic class that Americans generally favor.

No more than its predecessors does the Clinton administration want to bring on a rights showdown with Saudi Arabia. But a Saudi diplomat's recent application for political asylum could force the issue. According to press reports, 31-year-old Mohammed Khilwi claims to have 14,000 documents detailing alleged Saudi government sponsorship of international terrorism, wiretapping of U.S. citizens and other deeds. The charge of support for radical Islamic terrorism, if proven, could raise the question of whether Saudi Arabia should be put on Washington's blacklist of official state sponsors of terrorism. The diplomat's application for asylum, if granted, could identify Saudi Arabia in official American eyes as a state practicing political persecution.

These difficulties are not likely to bloom all at once, but Americans should be on notice. Sooner or later, tightly run reform-resistant regimes come apart. Harsh consequences can then overtake the nations that have become identified too closely with the old order. Saudi "stability" cannot be taken for granted. For its own reasons, the United States ought to be constantly urging the Saudi elite to broaden and soften its rule.

—THE WASHINGTON POST.

Retiring Haiti's Junta

The Clinton administration would like to see Haiti's wealthy businesspeople promote a cushy Riviera or Spanish retirement for the three most notorious leaders of Haiti's military regime, and it is freezing all Haitian assets held in U.S. banks to spur them into getting on with the job. Raoul Cédras, the junta leader, Philippe Biamby, the army chief, and Joseph Michel François, the police commander, overthrew an elected government, let political murders go unpunished, terrorized the civilian population and defied international agreements. Washington hopes to bribe them into exile with bundles of cash and promises of a safe European haven. And it seeks to reassure rank-and-file soldiers that they can keep their jobs and avoid punishment after President Jean-Bertrand Aristide is restored.

It is neither a pretty picture nor fair, offering Haiti's persecutors the safe haven that so many of its persecuted have been denied. But it makes some sense given the unpleasant realities of Haiti. It could be justified if it contributes to ending the terror and restoring democracy there.

It was General Cédras's refusal to leave Haiti last October that undid the U.S.-sponsored Governors Island agreement, the last serious attempt to resolve the crisis diplomatically. Inducing the general and his fellow commanders to leave now could put diplomacy back on track. And the only way Father Aristide is going to be returned without using outside force is to overcome the opposition of an army rank and file that fears retribution.

But Washington should have no illusions that removing this gang of three would solve more than the most immediate problems. The terror in Haiti comes from the lower military ranks and paramilitary groups created during the 30-year Duvalier dictatorship. It was rank-and-file soldiers who began the coup against Father Aristide to protect their privileges,

including profits from drug trafficking. General Cédras stepped in later to take control of the revolt. Once he departs, the same army elements will surely seek another general to lead their cause, as they did when Washington coaxed previous Haitian strongmen into exile.

The only time Haiti experienced real change was under the seven-month rule of Father Aristide in 1991. It was no democratic idyll, but not only top commanders were replaced but also the local section chiefs who had been the dictatorship's enforcers. Father Aristide made the only serious attempt to disband the Duvalierist militias and encourage Haiti's poor majority to participate in the country's politics. The coup abruptly reversed this process, as its sponsors intended. Simply to bring Father Aristide back under present conditions would be, in effect, to parachute him behind enemy lines without a rifle.

The Clinton administration says that after the three commanders leave, it would help professionalize Haiti's army and create a separate police force. But the assurances now being offered suggest that most lower-ranking personnel would be kept in place. If Washington's goal is to secure democracy and stanch the flow of refugees, it must pursue broader changes.

One way to do that might be to recruit a large United Nations peacekeeping force to control the existing army while a new one is created from scratch. Ideally, most of the peacekeeping troops should come from other Caribbean countries, with Washington contributing money and logistical support. U.S. diplomats would have to line up volunteer nations, just as they recently recruited regional countries to host refugee reprocessing.

Luxury exile for the gang of three would be a tolerable price for a serious effort to end Haiti's agony. Absent that effort, it would be a disgrace.

—THE NEW YORK TIMES.

Fighting a World War Against International Crime

By Flora Lewis

PARIS — Nostalgic Cold Warriors can perk up. There is a serious new threat to international security and democratic governments that requires urgent countermeasures. It isn't about tanks and missiles, but it is insidious and subversive on a scale that only mobilization of a grand alliance can adequately confront.

It is organized crime, old and new mafias of various sorts that are forming networks beyond the reach of national

The gangs know how to organize without concern for national sovereignty. Countries must learn to do the same, or they will lose this dirty war.

police. They are as disdainful of borders as the new global stock markets and speculative flows of finance. The scope, and the amount of money involved is on the way to becoming as dangerous a menace to a free and orderly world as totalitarian ideology used to be.

What differs from the ancient history of gangsterism is size and the development of international links. The momentum comes primarily from Russia, but the

tentacles are reaching out in all directions.

In an article in Foreign Affairs, Stephen Handelman cited Russian Interior Ministry estimates that organized crime controlled 40 percent of the total turnover of goods and services in the country last year. The criminal groups transferred \$25 billion from the Commonwealth of Independent States to accounts in Western banks, a sum that not only dwarfs Western aid and investment but takes an enormous chunk out of export earnings.

The danger that crime poses to Russian economic development and political stability — 47 percent listed it as the most urgent problem, in a poll shortly after last December's elections — is necessarily a concern to the rest of the world. But beyond that looms the possibility of a direct challenge to business and government everywhere as local groups plug into the lucrative support system.

Already gangs in booming southern China have established ties with international groups based in Hong Kong. The Chinese triads have a history of expertise, wit and unscrupulousness that forebodes a monster beyond any control if they achieve alliances with Western and Russian organizations.

And, of course, organized crime means

corruption. The enormous amounts of money at its disposal erode the chances of maintaining a legal system. The situation cries out for deterrence before weak international defenses are overwhelmed.

The first necessary step is to acknowledge the reality and gravity of the onslaught. Interpol and the FBI have begun efforts to work with the Russians, but this is marginal, far from adequate. President Boris Yeltsin has shocked the Russian Federal Assembly with a decree extending police powers clearly far beyond constitutional guarantees, in itself ominous for the fragile Russian democracy.

Already, though, this is a matter for concerted international action. It is too serious to leave to the police alone, themselves obvious targets for corruption. Civilian control needs to be at both a higher and a broader level if abusive use of police power, particularly in former totalitarian states, is not to be encouraged.

The strategic points are banks and the trading structures of certain commodities. There are no existing legal international organizations or methods of monitoring transfers of hot money and stolen goods. An attempt has been made with narcotics traffic, but it is paltry, and the new, varied traffic is becoming many times larger.

Creating a supervisory system will encounter sharp resistance. It means impinging on traditions of banking and

commercial secrecy that are deeply rooted. But the new threat should provoke new attitudes. This is not just somebody else's problem, it is in the interest of all who rely on legality. Perhaps it is the most important form of help that the West can provide to bolster democracy.

Tracking large-scale money transfers so as to expose money laundering should become an international duty of governments. Similar records for large shipments of certain commodities are needed. False or kited invoices are one of the easiest and most widely used techniques of crime and corruption.

The port of Amsterdam was nearly drowned in aluminum a couple of years ago, "smuggled" from Russia to cheat the state. Estonia, which does not operate a single metal plant from Russian defense factories that it appeared as one of the world's largest metal exporters in 1992, an estimated \$500,000 worth a day.

Defense against the threat will take more than agreements to exchange information. There needs to be a coordinating center keeping records to be made available to national police, customs and tax officials. The gangs know how to organize without concern for national sovereignty. Countries must learn to do the same, or they will lose this dirty war.

© Flora Lewis.

Partnership for Peace: No, Russia Is Too Big for This Exercise

By Andranik Migranyan

The writer is a member of Boris Yeltsin's Presidential Council.

way to filling the power vacuum, with the ultimate goal of restraining and disciplining Russia itself. The Romanians, Estonians, Poles, Slovaks and Czechs have already mobbed the doors to NATO. The Ukrainians, Latvians and Lithuanians are falling over themselves to get in. It is amusing to contemplate how Russia, which is still a military

superpower, would look in such a crowd, where everyone is crying about the threat from Russia and wants to lean on NATO's mighty shoulder in search of a guarantee of territorial integrity and security.

Those who say we would have doomed ourselves to political isolation by not joining the Partnership for Peace and eventually,

perhaps, NATO are quite correct. But it is also true that we isolate ourselves by agreeing to participate, since NATO controls who becomes a full member and when.

Russia faces numerous problems, both abroad and with other newly independent former Soviet republics. It cannot afford to be constrained when its own interests do not coincide with NATO's or with those of the Partnership for Peace.

The agreement signed on Wednesday poses several key problems for Russia:

• The current proposal does not stipulate any sort of framework for the transition to membership in NATO. A country such as Russia cannot be left out in the halfway while important decisions are made on issues critical to its security.

• Whether or not its authors intended it, the proposal includes an attempt to block the former Soviet republics' ability to consolidate militarily and politically.

• The Central European countries and former Soviet republics, in joining the Partnership for Peace and eventually NATO, will push Russia out of their markets as an arms supplier, dealing a serious blow to

our military-industrial complex. • It is hardly expedient to transform a regional alliance created for very specific tasks into a universal instrument for resolving and regulating conflicts throughout Eurasia.

In addition, as a member of NATO, Russia would become the alliance's outpost on its borders with the Islamic world and China. It is hard to imagine that American soldiers would defend this border as they once defended the one dividing East and West Germany. So Russia's hands would be bound and its freedom to maneuver limited.

Without having a full voice in NATO, Russia can hardly influence the organization's decisions. It might have been better to concentrate on perfecting the mechanisms of the Conference on Security and Cooperation in Europe, which was set up in 1975 to guarantee peace and order on the Continent, and to which Russia and NATO members already belong.

Mr. Migranyan is a professor of political science at the Moscow State Institute of International Relations. This column was translated from the Russian by Hugh K. Truslow for The New York Times.



By JOEL BERTRAND in Paris (Associated Press)

How the Partnership Works and Where It's Designed to Lead

By Gebhardt von Moltke

The writer is NATO assistant secretary-general for political affairs.

cal-military relationship between the alliance and individual Partner countries. Cooperation within the Partnership will help increase stability and security for all. It will promote shared democratic principles, such as transparency in national defense planning and budgeting and democratic control of defense forces.

Joint military planning, training and exercises will strengthen the ability and readiness of members to take part in multinational peacekeeping, search-and-rescue and humanitarian missions under UN authority or the responsibility of the Conference on Security and

Cooperation in Europe. Over time, Partnership activities will develop forces that are better able to operate with those of the NATO allies.

Partnership for Peace builds on years of dialogue and cooperation under the North Atlantic Cooperation Council. But it will go further, allowing each partner to develop an individual cooperation program with NATO and thus to forge closer relations with the alliance. Each partner will be able to determine the pace and content of its cooperation with NATO.

A country joins the Partnership by signing a standard framework document at NATO and thereby

subscribing to the shared goals and values that underpin the Partnership — the preservation of democratic societies, their freedom from coercion and intimidation, and the maintenance of the principles of international law.

The next step is for a country to submit its own national "Presentation Document" listing the steps it has taken or will take to promote public transparency in its national defense planning and budgeting processes, and to ensure the democratic control of its defense forces. The country also identifies the kind of military cooperation that interests it, and the military forces and resources that it might make available for Partnership activities. The Partnership will evolve over time and encompass an increasing range of activities with NATO.

The third step is the development of an individual Partnership program setting out specific cooperative activities with NATO. The individual programs will be transparent to all partners, but none will have the right to interfere with any other's program.

Field exercises to promote peacekeeping cooperation and military coordination will be a major aspect of Partnership for Peace. At least two field exercises this year and possibly a maritime exercise are being planned. These will improve the ability to work together in peacekeeping missions in support of United Nations or CSCE decisions. The exercises will serve, for example,

to improve the compatibility of communications and operational procedures. There will be other activities in areas such as crisis management and training.

Many partner countries are taking up an offer to rent permanent offices at NATO headquarters in Brussels, making it easier for them to participate in meetings and other activities.

A Partnership coordination cell has been established at Mons, Belgium, to carry out the military coordination and planning necessary for Partnership for Peace programs.

NATO is prepared to consult with active participants if they perceive a direct threat to their territorial integrity, political independence or security. This offer hopefully will help to defuse future crises and contribute to stability in the European-Atlantic area.

Active participation in Partnership for Peace will play an important role in the evolutionary process of the expansion of NATO, as envisaged by the January summit meeting, taking into account political and security developments in all of Europe. The Partnership is not a substitute for membership in NATO.

The Partnership offers an opportunity for progressively closer cooperation and ties with NATO. It is not directed against any country. NATO will make every effort to ensure that this endeavor succeeds, enhancing security and stability in the interests of all.

International Herald Tribune.

A Crackdown Roils Jakarta's Waters

By Philip Bowring

HONG KONG — Tuesday's decision by President Suharto, 73, to close Indonesia's three best-known weekly magazines has startled the nation and lengthened the list of questions about the direction of Indonesian politics and the outcome of the eventual succession. Mr. Suharto's term expires in 1998, and the move comes close behind strikes and anti-Chinese riots in the city of Medan, and the much publicized Bapindo banking scandal, which has touched former senior ministers. There are no direct links between the three events, but all concern the intricate problems of succession and the need for and problems of a more open society.

They also affect Indonesia's international reputation as it continues to open its economy. One of the three banned publications was Tempo, a prosperous, glossy news magazine that had survived for 23 years and established a strong reputation. Tempo had come to symbolize the values of the urban middle class, which has grown rapidly in recent years.

Another casualty of the crackdown, the tabloid Detik, had come from nowhere to a claimed circulation of 400,000 in little over a year, thanks to scoops on government division and corrupt officials.

Magazines have been the cutting edge of liberalization in Indonesia, a snappy contrast to the generally stodgy daily papers. None of them could be described as radical or even

populist. They were produced by and to a large extent for the elite, which has no fundamental problems with Indonesia's economic system or with its eclectic official philosophy of Pancasila, under which the unity of the state takes precedence over ideology and religion.

However, as the elite gets bigger, President Suharto gets older, and old loyalties wither. Jockeying for power is on the rise, along with competition for the spoils of development.

The immediate occasion for the demise of Tempo centered on the purchase by Research and Technology Minister B. J. Habibie of 39 old East German vessels to modernize the navy. Mr. Habibie is personally close to Mr. Suharto, and spearheads a quasi-political association of Muslim intellectuals. An ambitious German-trained aeronautical engineer, he is also a free-spirited economic nationalist.

Mr. Habibie is at odds with economic technocrats such as Finance Minister Mar'ie Muhammad, who have no local political base but lots of clout via international financial institutions, and many in the army, who distrust his use of religion for political purposes. The generals were also miffed that Mr. Habibie was so involved in military procurement. Mr. Habibie undoubtedly feels he has been unfairly treated by the press.

In a recent speech, President

Suharto defended Mr. Habibie on the ship issue, and he has lashed out at the press for causing dissension. For now, other media will heed the warning. Ministers will appear obedient. But pent-up anger may have overtaken the president's normal political finesse. Instead of keeping everyone off balance, he has taken sides.

The attack on Tempo has emphasized the splits that all know exist. And by appearing to come to the rescue of Mr. Habibie, the president has strengthened the argument of those who say that without Mr. Suharto, Mr. Habibie is not a serious contender.

The ultimate problem with the media crackdown may be to close the one aspect of "openness" that had come about as promised. Formal politics, via parties and Parliament, is still largely moribund, so the media have provided a window on today's world and tomorrow's possibilities.

The magazine bans will not be fatal to the media. Tempo will likely re-emerge with a new name and a new editor, just as a 1987 ban victim, the daily Sinar Harapan, resurfaced as Saura Pembinaan a few months later. Indonesian liberalization has always been a two-step forward, one step back affair. Social pressures for opening remain strong.

But it is a blow, not least to the self-esteem of (to adapt the late President Sukarno's slogan) Jakarta's New Emerging Classes.

International Herald Tribune.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1894: Literary Revolt

BERLIN — There is an interesting strike in sight. The disquieting symptoms that the number of starving poets is continually decreasing has inspired our theater directors with the philanthropic idea of reducing considerably the dues paid to authors. In view of this danger, a society of authors has been formed in order to boycott all the theaters which seek to cut down the authors' rights.

1919: A German 'Yes'

PARIS — At about ten minutes to seven o'clock last evening — 255 days after the Armistice — guns boomed and sirens screeched, and Parisians were thus informed that Germany had answered "yes" to the ultimatum presented to her and had decided to sign the Treaty of Peace. Many hours of acute nervousness were

passed by the German delegates as they waited for the message from Weimar announcing the Government's decision. The radio came at last, relieving the tension with its unconditional acceptance of the Allies' ultimatum.

1944: Roosevelt Assailed

CHICAGO — [From our New York edition:] Governor Thomas E. Dewey of New York, in his first direct message to the Republican National Convention, assailed the Roosevelt administration today [June 23]. Mr. Dewey's personal statement follows: "The national Administration has become a sprawling, overlapping bureaucracy. It is undermined by fused lines of authority, duplication of effort, inadequate fiscal control, loose personal practices and an attitude of arrogance previously unknown in our history."

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International Herald Tribune, 81 Avenue Charles-de-Gaulle, 92521 Neuilly-sur-Seine, France
Tel.: (1) 46 37 93 00. Fax: (1) 46 37 96 51. Adv.: 46 37 52 12. Telex: 320 224
Editor for Asia: Michael Richardson, 5 Canton Road, Singapore 0511. Tel.: (65) 472 7184. Fax: (65) 274 2254
Muc. Dir. Asia: Rod D. Kinnear, 51 Canton Road, Hong Kong. Tel.: (852) 222 1188. Fax: (852) 222 1191
Muc. Dir. Europe: T. Schuler, Finkenstr. 15, 10117 Berlin. Tel.: (49) 30 25 73 10. Fax: (49) 30 25 73 10
Muc. Dir. USA: Michael Cremo, 430 Third Ave., New York, N.Y. 10017. Tel.: (212) 752 8800. Fax: (212) 752 8802
U.K. Advertising Office: 13 Long Acre, London WC2E 9LQ. Tel.: (44) 181 240 2254. Fax: (44) 181 240 2254
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A Hefty Crop of Movie Festivals for Paris, When It Sizzles

By Joan Dupont

PARIS—There is a funny scene in Nanni Moretti's "Dear Diary" showing what's on Roman screens in the summer—a toss-up between soft porn and wilted reruns. In Paris, where programming is an art, Moretti would not go hungry. You can hardly go wrong in a city that has declared this "Fritz Lang Year." There is a festival called "10 Grands Westerns, La Légende," a program titled "Bad Girls" (with the accent on the grrr), featuring the work of young American filmmakers; "Tutto Fellini" and even a sampling of Nanni Moretti films. The American Center is running a program called "Banned in the U.S.A.," and French distributors who feel that their films are virtually locked out of the United States have come up with ingenious programming to beat up interest in native fare.

Yann Beauvais, head of film and video programming at the American Center has imported most of "Banned in the U.S.A."

from Steve Seid's Pacific Film Archive in Berkeley, California. Strictly speaking, not all the films were banned, but Beauvais aims to show a diverse and provocative program that reflects on French as well as American skittishness.

"We added Jean Genet's 'Un chant d'amour' (1950), a poetic film on homosexuality banned in France for 21 years," he says. Genet's 20-minute black-and-white film was adapted from his first novel, "Our Lady of the Flowers," an erotic fantasy written in prison. "When it was shown in New York in the '60s, police raided the movie house; when it was shown on the Berkeley campus, police threatened to confiscate the print."

"Ire" (1980), by Lionel Soukaz, is "a scandalous film for the '80s that shows boys making love and shooting up," says Beauvais. "It was X-rated under Giscard d'Estaing; Jack Lang de-Xed it."

Not all the films are made of such strong stuff. Otto Preminger's 1953 "The Moon Is Blue," was a harmless comedy,

but words like "virgin" and "seduce" and promises of worse to come sent alarms ringing at the censors' board. Preminger brought the movie out anyway. Catholic groups intimidated theater owners, "just as pressure groups managed to get films like Godard's 'Je vous salue Marie' off screens in France and the U.S.," Beauvais points out.

Roberto Rossellini's "The Miracle" (1943) was an historic case: Federico Fellini wrote the story; he also played a bearded tramp to Anna Magnani's peasant woman who takes him for Saint Joseph. Cardinal Spellman and New York's Legion of Decency charged the film as blasphemous; it provoked boycotts, picket lines and bomb threats. The case went to the Supreme Court where the argument that censorship of motion pictures violated free expression won out. Elsa Kazan's "Pinky" (1949), about a light-skinned black woman who moves south and finds herself rejected by two worlds, "excited hysteria when it was shown in the South," says Beauvais. The case also went to the

Supreme Court where it benefited by the court's ruling in favor of "The Miracle."

Maurice Tinchant, a publicist and independent producer and distributor, has concocted "Coup d'été," a program of seven first films, made in France, to be re-released with English subtitles for summer audiences. Tinchant, who produced Jacques Rivette's two-part "Jeanne la pucelle," also distributed "Les Gens normaux n'ont rien d'exceptionnel" (Normal People are Nothing Special), an unexpected hit by Laurence Ferreira Barbosa.

"Coup d'été" will be shown on the Champs-Élysées and the operation also extends to the provinces. The program includes comedies like Marion Vernoux's "Personne ne m'aime" and Philippe Liorès' "Tombés du ciel," and more somber films like Agnès Merlet's "Le Fils du requin" about juvenile delinquents.

The case of "Les Gens normaux" actually is exceptional: "The film came out in November, which meant it got talked about and won prizes, the actress won a César—all that gave it a boost," says Tinchant.

"But every year, nearly a quarter of the movies made are first films—40 this year—and only about 10 of them do well."

Chantal Poupaud is another champion of independent cinema who has come up with a good packaging idea: She asked nine filmmakers to make an hour-length movie about their adolescence, illustrated by the music of the period. The result is a series that will be shown on Arte, the Franco-German cultural network, from October to Christmas; certain of these films evolved into full-length features shown at Cannes and other festivals and are being released in theaters this summer—André Téchiné's "Les Roseaux sauvages," Olivier Assayas's "L'Eau froide" and Cédric Kahn's "Trop de bonheur."

THE series, produced by Georges Benayoun, is called "Tous les garçons et les filles de leur âge" after a popular song of the '60s and each film has a party scene.

"The idea was to do 10 films that would span the decades from the start of rock 'n'

roll through the '90s," Poupaud says. "I thought it would be interesting to see how directors of different ages looked at things—family, sexuality, money. I've always been fascinated by television and wondered why French directors looked down on it. I thought, if I let them shoot with their usual teams, in Super 16 or 35mm, why wouldn't they want to make films for TV?"

The incentive was the originality of the low-budget concept, and the opportunity to use all the music they wanted—for free: Poupaud's son Yarol is a musician and helped set up the deal with Sony. Each director improvised on the assignment: Téchiné returned to his lycée of the '60s near Toulouse; his party scene lasts nine minutes; Assayas filmed lycens of the '70s in the Paris suburbs to a musical delirium that goes on for 45 minutes.

Poupaud's next theme project is on women. The title: "Toutes les femmes sont folles."

Joan Dupont is a Paris-based writer specializing in the arts.

THE MOVIE GUIDE

Les Patriotes

Directed by Eric Rochant.
France.

Ariel (Yvan Attal) has left his family in Paris to become an undercover agent in Israel. After four years of basic training, he is assigned to the Mossad, and to his first missions in Paris. His shadow life is not very exciting: He sits in the wings and engineers set-ups, blackmailing Remy, a research scientist (Jean-François Stevenin), Marie-Claude (Sandrine Bonnaire), a call girl who proves to be the undoing of Remy, is the best thing that happens to Ariel. Detached from his old world, he visits his own life like a spy, going to see his sister (Christine Pascal) and casing her apartment as if he might find some clue to his lost humanity. Attal, who looks like Dustin Hoffman, gives one of those minimalist performances—eyes burning, face slammed shut—that goes with his job, displaying more boredom than anguish. The real mystery is why he ever wanted to join the Mossad. Rochant, who has always been interested in the old man out, sews a postmodern web of disillusion around a musty scene. After 2 hours, 22 minutes of demystification, the game's up and you've been watching one those Cold War thrillers—where the shots are fired offscreen, and nobody wins. (Joan Dupont, IHT)

Bad Boy Bobby

Directed by Rolf De Heer.
Australia/Italy.

We've seen it all before, in "Tommy" and "The Enigma of Kaspar Hauser" and "Rainman." The gifted, stunted man-child who sets



Eric Rochant, director of "Les Patriotes."

out into the world, buoyed and betrayed by his naïveté and common sense. Yet "Bad Boy Bobby" somehow manages to stand on its own as a successful interpretation of a well-worn genre. Bobby is a thirtysomething little boy whose universe consists of a dreary basement apartment in which he is imprisoned and abused by a sadistic, incestuous mother. After killing his mother and his errand father, Bobby wanders through the post-industrial world of rural Australia, where he is fondled, mugged, ridiculed, and ultimately arrested. Linguistically deprived, Bobby tends to repeat the sounds and phrases that he hears on the street, be they a policeman's warning, a drunken man's obscenities, or a cat's snarl. As a human, childlike parrot, Bobby is unable to provide for himself or even to communicate with

his strange new world. Then, in a twist of events that could only make sense in a modern age fable, he finds his range—and his fortune—as a cult singer in a rock band. Nicholas Hope is brilliant as the child hostage turned adult outcast turned ageless prophet. And Rolf De Heer's fast-paced direction makes this fairy tale into an electrically entertaining and almost believable story. (Ken Schulman, IHT)

Alma's Rainbow

Directed by Ayoka Chenzira.
Britain.

Alma Gold (Kim Weston-Moran), the title character of Ayoka Chenzira's good-humored coming-of-age film, "Alma's Rainbow," is the straitlaced owner of a beauty parlor who lives with her adolescent daughter, Rainbow (Victoria Gabriella Platt),

The daughter, who attends a strict parochial school and studies dance, is just becoming aware of boys. Although Alma has no dearth of suitors, she has fooled herself into believing she has outgrown the need for male companionship. And she sternly advises her daughter to follow her example and keep men at a distance. Their austere life is disrupted when Alma's sister, Ruby (Mizian Nunes) appears out of the blue for an extended visit. Ruby is everything her sister is not. A flamboyantly sexy nightclub performer with a trunk full of glittering costumes, she has been making her living in Paris as a Josephine Baker imitator. Although Ruby's time has passed, she is too proud to admit it, and she still puts on the airs of an international star who is between engagements. Using her wiles, she inveigles the neighborhood's pompous undertaker into shutting her to auditions in his house. To Alma's dismay, Ruby takes Rainbow under her wing and stimulates the girl's nascent show-business ambitions. "Alma's Rainbow" is a hip urban sitcom with sepiatoned flashbacks. Although the screenplay largely transcends television formulas, the characters verge on being stock comic types. In its affection for them and in its robust evocation of an black urban milieu, "Alma's Rainbow" recalls Spike Lee's first film, "She's Gotta Have It." The heart of the movie is the struggle between the self-righteous prudish Alma and the flamboyantly free-spirited Ruby for Rainbow's respect. The movie makes no bones about being on Ruby's side. (Stephen Holden, NYT)

Papua New Guinea by Dugout

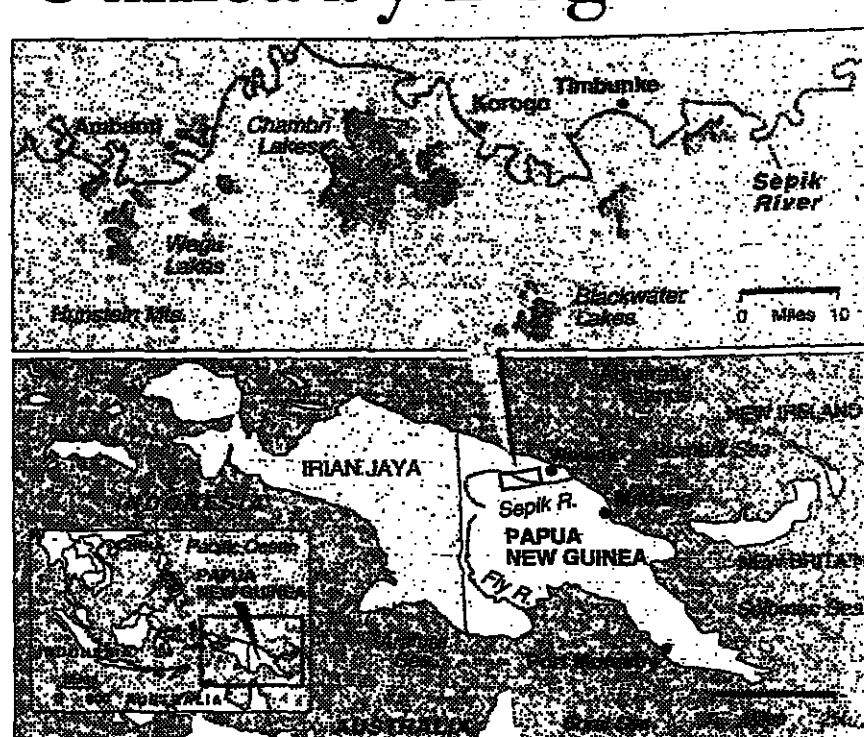
By Ann Gibbons

AMBUNTI, Papua New Guinea—A small group of villagers stood by the side of the grass airstrip as our single-engine plane set down in this settlement on the banks of the Sepik River in Papua New Guinea. No sooner had we climbed out of the plane than our Australian pilot dropped our bags on the grass, spun the plane around and took off. We soon knew why: The mosquitoes had descended on us like vultures on a fresh kill.

As we slathered on mosquito repellent and rolled down our sleeves, the villagers chuckled. This was not the kind of adventure my husband and I had in mind when we made our plans to explore the Sepik, one of the great rivers of the world, which is to Papua New Guinea as the Amazon is to Brazil. Much to our relief, a slender New Guinean soon stepped forward to help us, saying "Ann, Ann?" with a pidgin English accent. This was our guide, Abraham Laklom, and he quickly led us past a few huts to the river bank. There, he pointed to the 30-foot (9-meter) dugout canoe with an outboard motor that was to be our cruise boat for the next three days.

Abraham unfolded two child-sized chairs, placed them one behind the other in the canoe and beckoned us to climb in for a sunset cruise upstream. He slapped a wad of mud on a slow leak in the floor and tugged on the motor's starter cord, and we were soon slicing through the brown waters of the upper Sepik—with cool breezes on our faces and, mercifully, out of range of the mosquitoes. We sat back in our chairs and began to take in the scenery—thatched huts built on stilts on the river banks, men's "spirit houses" with fearsome carved figures guarding the doors, and dugout canoes with prows in the shape of crocodile heads.

As the setting sun tinged the river's water gold, a few fires began to light up along the shore, and we caught glimpses of people finishing their day's work. Women were washing the starchy pith of the sago palm in baskets at the water's edge, while men stood on wooden platforms above the fires, chewing betel nut and spitting the red juice on the ground. Children bobbed in the water, waving and calling out "Apium, apium" (pidgin for "Good afternoon").



tributaries and lakes, where the villages are smaller, friendlier and less visited. The wide, fast-moving Sepik River is the major highway of the region, and we had heard that some of the tribes living along the well-traveled sections of the middle and lower river were down from too much exposure to Westerners.

We began our trip in Ambunti, 475 miles north of Port Moresby, where we stayed at the simple but clean Ambunti Lodge after our sunset tour upriver.

The next morning we were up and in our canoe early, but the river already was bustling with life. We glided past canoes paddled by women returning from market, taxi canoes carrying 8 to 10 people, and mini canoes maneuvered by children who were out fishing. When we spied an interesting-looking village, such as Korogo and Kanganaman in the middle Sepik, Abraham would tie up the canoe alongside a series of the villagers' canoes, and we'd clamber over them to shore.

The first destination was usually the haus tambaran, or spirit house, where the men gather to carve wooden artifacts, to talk and to relax in the shade. Historically, women have been barred from these houses, where the men undergo their secret initiation rites. But the rule is bent for Western women, because these houses also serve as galleries where the men display and sell their carvings, which are now made primarily for tourists.

Ever since I had read Margaret Mead's vivid descriptions of "the pace of life in a cannibal tribe" in the Sepik in the 1930s, I had wanted to travel there to meet these people. I also was drawn by their art, having seen collections in museums in the United States of the carved masks, shields, musical instruments and figures that were once used in ceremonies to celebrate a spirit world of ancestors and animal beings. We chose to travel by dugout canoe because we wanted to explore the river's

After spending the morning exploring villages along the middle Sepik, Abraham turned our canoe south into a narrow channel that flows into the less traveled Chambri Lakes region. This was the highlight of the trip. As we pressed farther downstream, the foliage became more dense and the birds more numerous. We flushed out flocks after flocks of herons, egrets and cormorants, which swooped gracefully out in front of our bow. Tree frogs chirped rhythmically as we skimmed along. At the end of this hypnotic three-hour journey we arrived at Chambri Lake, where we were to stay in Walindimi, a village at the foot of a lush hillside, where the mist was rising from the treetops when we landed.

THE next morning, we moved on to Tambunan along the middle Sepik, where the people are renowned for their carvings and where Margaret Mead had lived for some time. We were indeed impressed by the Tambunan masks, and the villagers there showed us the site where "Miss Margaret's" house had been (now overtaken by the river). But they were more jaded than the people of the Chambri Lakes who had not had their fill of westerners—yet. The bonus, however, was that the guest house across the river from Tambunan turned out to be luxurious by Sepik standards: it had a shower and a large porch where we could sit in wicker chairs and watch the canoes on the river, as we sipped sodas and found relief from the hot sun.

Finally, our adventure ended with a short canoe ride back up the river to Timbunke, where we pulled up on shore right beside another grass airstrip. As we took off in the same single-engine plane, waving goodbye to Abraham and Richard, I realized there was only one part of the trip I would not miss—the mosquitoes. But there was no escaping them: They were on board with us.

Ann Gibbons, a contributing correspondent for Science magazine, wrote this for The New York Times.

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ACROSS

1. Jubilate or
"Paradise Lost."

10. Wee bit

11. Standard

14. Pans holder

15. Kind of pen

16. Cause of a
good belly
laugh?

18. Peter Gunn's
girlfriend
— Hart

19. Mona Lisa
attribute

20. Optimism

21. Flowers for
Floors

24. Souvenir shop

25. Sacrifices

26. Mid-east capital

30. W.W. I battle
site

31. Annotated
ungraciously

33. Multipurpose
truck

36. "Ricochet"
co-star

37. Flash

38. Lordly one

39. Stunt a hole

40. 70's singer
Frodo

41. De — (actual)

42. Appear

43. Musical Labor

44. Day event

46. Combined, in a
way

48. "Tuna-Fishing"
artist

50. Logic fix, for
example

52. Mussolini's air
marshal Balbo

53. Mountain north
of Catania

55. Headquarters?

56. Cunning

57. Tale opener

58. Western airline

62. T. to Morse

63. Going-away
party?

64. Iron Mike

DOWN

1. Zing

2. Tantalus, Abur

3. Like a bacchante

4. Embrocation

5. News syndicate
founder Samuel

6. Night school
subject: Abbr.

7. Modern hand

8. An't right?

9. Knights' group

10. Where Howard
Stearns rides
horses?

11. The elite

12. Wish the best
for

13. Nigeria
neighbor

17. Takes up

21. — a
"Karmal"

23. Hardy poet

24. Drop

26. Die feature

27. What there's no
such thing as
at NASA?

28. Put on a coat

29. Struck a low
blow

34. Barker of
timidom

35. Dark, poetically
horror?

37. "Wheel of
"Pyramit"

38. In a pleased
way

40. Famed traveler

41. Hornburg

43. Chicago-based
TV show

44. All-time P.G.A.
tour leader

47. Exotic fish

48. Book subtitled
"The True Story"

51. Use a straw

53. Plain of Jars
locale

54. Cuatro y cuate

57. Society page
word

58. Colo
neighbor

61. Solution to Puzzle of June 23

MANIC MESA ALAS
ALAMO TREES ROVE
NOSPRINGCHICKEN
YET ABCE TSHIRT
FLIE PRAY JOB
MEREST CRAY JOB
ALONE AHOYMAUVE
DOSEAYSONSUMMER
AFEE OTIS REINE
MEET SUEB ABLEST
HERA GNAT
STRAUS BEEN SAO
THELIONINWINTER
OONA NOIE ZALRE
PUTS GRIT ENROL

TURN TO PAGE 10
FOR
SUMMER RENTALS
IN FRENCH PROVINCES

McKAY

—

هكذا من الأصل

Oil Forges Gulf-Asia Business Ties

Asian countries were implementing policies of privatization, liberalization and deregulation in oil.

As a result, Asia is seeking joint ventures in refining and other areas with oil-exporting states "where long-term supply of crude oil is secured in return for granting access to domestic markets for joint venture partners," he said.

Mr. Khaled was speaking at a recent oil conference in Singapore co-sponsored by the International Herald Tribune and the Oil Daily Group.

In March, Saudi Aramco, the Saudi Arabian state oil company, bought a 40 percent holding in Petron Corp., the refining and marketing arm of Philippine

Analysts said that under a mutually agreed crude oil supply contract, Retron

would receive 90 percent of its requirements from Aramco, up from around 55 percent. Aramco also promised to make available at least \$300 million for expansion and upgrading of Petron's refining capacity.

The Petron acquisition is Aramco's second in East Asia. It currently supplies as much as 200,000 barrels of oil a day to a large refinery owned by the Ssangyong group in South Korea. Aramco has a 35 percent stake in the refinery.

East and South Asian countries depended on the Gulf for nearly 49 percent of their oil supplies in 1992.

demand for oil.

Hong Kong Hang Seng		Singapore Straits Time		Tokyo Nikkei 225	
13000		2500		22000	
12000		2000		21000	
11000		1500		20000	
10000		1000		19000	
9000		500		18000	
8000		0		17000	
J F M A M J	1994	J F M A M J	1994	J F M A M J	1994
Exchange	Index	Thursday Close	Prev. Close	% Change	
Hong Kong	Hang Seng	8,886.75	8,876.84	+1.01	
Singapore	Straits Times	2,250.45	2,255.30	-0.22	
Sydney	All Ordinaries	2,022.50	2,010.90	+0.58	
Tokyo	Nikkei 225	21,040.20	20,581.30	+2.23	
Kuala Lumpur	Composite	1,083.50	1,015.45	-1.17	
Bangkok	SET	1,304.50	1,311.61	-0.56	
Seoul	Composite Stock	538.69	538.89	-0.18	
Trilac	Weighted Price	5,571.14	5,597.81	-1.45	
Manila	PSE	2,392.15	2,618.94	-0.22	
Jakarta	Stock Index	478.96	473.13	-0.46	
New Zealand	NZSE 40	2,080.01	2,029.83	+1.50	
Bombay	National Index	2,021.26	2,085.05	-0.98	

Sources: Reuters, AFP

International Herald Tribune

- **Japan's largest nationwide supermarket chain operator, Dai-ichi Japans,** is set up a joint venture to operate 4,800 retail outlets across China.
- **Vietnam** is to increase taxes by 10 percent this year to try to close its widening budget deficit, a Finance Ministry official was quoted as saying Thursday.
- **The average Japanese family** spent 0.8 percent less money in April, the third straight monthly decline, because of lower prices for imported rice, according to a survey.
- **Toshiba Corp.** said it and **IBM Japan Ltd.** were considering building a second joint thin-film transistor liquid crystal display factory to meet rising demand.
- **Creative Technology Ltd.** of Singapore and **AST Research Inc.** of the United States said they had made a development and marketing agreement for multimedia products.
- **Boeing Co.** said **Xian Aircraft Co.** of China won a contract to supply rear fuselage sections for the Boeing 737 beginning in 1997.
- **William E. Simon & Sons Ltd.,** a company specializing in Asian-Pacific investments, will acquire options for a minority stake in **Kosan International Holdings Ltd.,** an electronics maker in Hong Kong, in exchange for a loan to Kosan of between \$15 million and \$20 million.

Bloomberg, APX, Reuters, AFP

nesian timber tycoon Pradjogo Pangestu said Thursday he planned to sell some

"Certainly, some of the shares will be sold, but it will depend on the price,"

Under the takeover deal, Mr. Prajogo will inject some of his timber assets into Construction & Supplies in return for a controlling stake in the company.

The sectors from which foreign investors will be excluded are licensed professions such as medicine and accounting, the media, retailing, private security agencies, small-scale mining, cooperatives, marine resources and trading in rice and corn.

Noel Reyes, research chief of Dharmala Securities, said the order could increase unemployment, which reached 11 percent

"It's about time we test whether local companies can stand on their own," Mr. Reyes said.

Raul Concepcion, president of the Federation of Philippine Industries, said his organization

The order takes effect Oct. 24. It follows a series of other measures that included liberalizing foreign exchange transactions, revising tax laws and opening the country to foreign

banks.

TOKYO — The Securities and Exchange Surveillance Commission on Thursday said

The raid represented a heightening of the investigation, the

The commission, which confirmed it was carrying out the investigation after the drug company disclosed the inquiry over the weekend, raided more than 10 other locations across Japan in connection with the

case, officials said.

Nippon Shoji, Japan's fourth-largest drug wholesaler, said Sunday that 175 employ-

shortly before the government issued a warning that several people had died after taking one of its products, Sorivudin,

Eisai Co., which was also

Nippon Shoji, which had b expectations for the drug and sales target of 1.5 billion ye (\$15 million) for the first year

■ Trade Talks Called Off

Foreign Minister Koji Kizawa canceled talks sched-

celed," a spokesman for the

Mr. Kakizawa gained the cabinet's authorization Tuesday to travel to the United

The United States mean-

tions services.

[illegible]

From now on, AG shares will be known as Fortis AG,
and AMEV shares will be known as Fortis AMEV.

European Union

Hopefuls / The Queue Gets Longer

Vote of Confidence: Those Who Want In

In the last few weeks, the European Union has received major votes of support from countries outside the Union. One after the other, Europe's non-EU governments and their citizens, separately or together, are expressing an unprecedented willingness to join the EU.

One of these votes made the front pages. In a whopping two-to-one majority, Austrians voted in favor of joining the Union. Munich's Süddeutsche Zeitung called the vote "both the expression of and catalyst for a groundswell of pro-EU sentiment."

Other "votes," although equally significant, received less attention in the world media. At a mini-summit, the Visegrad Four — the Czech and Slovak Republics, Hungary and Poland — repeated their demand for fast-track admission to the EU. The countries had new, compelling arguments to advance for their bids: their strongly expanding economies and exports and growing ties to the EU.

These successes underpin the region's new confidence in its dealings with the EU. "When we join the EU, we will do so as a country capable of making a positive contribution to the Union's further development and not as one further burdening its finances," says Vladimir Dlouhy, the Czech Republic's minister of industry and trade.

While the Central and East Europeans were voicing a change in attitude, Iceland's Social Democrats were manifesting a surprising change of heart. At their convention, the party leader and foreign minister, Jon Baldvin Hannibalsson, stated that Iceland would "probably" apply for admission to the EU by the end of the year. To overcome diehard local resistance, Mr.

Hannibalsson is reportedly counting on the "me-too effect." Iceland's Nordic neighbors Sweden, Norway and Finland have recently reached agreement with the EU on admission, and their referendums on ratification are set for autumn. Recently, key political parties in all three countries swung behind the campaign for a Yes vote.

Relegated to a page filler was the Swiss government's decision to mount yet another full-scale campaign to overcome popular resistance to membership in the EU. This move came on the heels of an announcement by Liechtenstein that it was "uncoupling" its EU membership aspirations from those of Switzerland, its associate.

Not making the papers at all was the European Commission's positive evaluation of the membership bids of Cyprus and Malta.

Each of these groups of applicants — the Northern and Central European "haves," the Central and East European "quick risers" and the Mediterranean-belt "tourist paradises" — has its own set of reasons for joining the EU, and each has its own method of going about it. But all of the 11 countries currently seeking membership — and the 15 others considering it — share a basic perception about the EU.

"Non-member countries have a vantage point when it comes to making an objective judgment as to how well the EU is working," says Kurt Biedenkopf, prime minister of the German state of Saxony, "as they can view its workings in its entirety. I think their judgment is that the EU is a highly functional, integrated market."

For many of the applicant countries, the crucial difference membership would bring is a voice in the



Much has been written about the growing pains of the European Union and its single market. But what hasn't gotten as much attention is where the EU is working. The removal of customs barriers, standardization of products and practices, free competition in formerly closed sectors, the lifting of tariffs and exchange controls — all these have transformed the way the EU does business.

EU's deliberations. Other changes would not be dramatic, because nearly all of these countries already have extensive association agreements with the Union. As the Central and East Europeans have been showing, these association agreements can be "tantamount to membership," as a German business weekly

recently stated. Undeterred by waves of protectionism and other forms of "national egocentrism," these countries have steadily whittled away at quotas and conventions.

Today, the EU maintains association agreements with countries ranging from Latvia to Israel.

Terry Swartzberg

Institutions / Creating a True Union

Parliament Seeks A Delicate Balance

For many, the European Parliament has always seemed like a large and lush political backwater. Now, however, the stereotype is changing. The European Parliament could soon mean more than legislative powers largely limited to reviews, amendments and vetoes. The members of the new European Parliament, which convenes in Strasbourg on July 19, are, as never before, in a position to bring about this transformation.

The results of European parliamentary voting this month again proved, to paraphrase the late U.S. House Speaker Tip O'Neill, that all politics is national. The results, as in the previous three European parliamentary elections dating back to 1979, were difficult to characterize on a pan-European basis.

In most countries, the results were explained as a reaction to the existing national government rather than a mandate for European Union policies. The results were interpreted as good for the right and bad for the left, yet Britain's Labor Party is going to be the largest national bloc and, overall, Socialists gained at least a dozen seats and will have more than 200, the most of any stripe on the political spectrum, in the 567-member European Parliament.

Much of the uncertainty about the European Parliament can be blamed

on its inherent structural problems. It has never been a true legislative body in the sense of most of the world's democratic parliaments; its primary legislative power comes from amendments and vetoes, rather than initiating new law.

The national governments of the EU's member countries have been chiefly interested in their own priorities and in trying to use European issues to keep themselves in office. Naturally, they have been reluctant to share power with the EU, since that would weaken their own governments and undermine their national sovereignty.

This has not been lost on the voters. Until the European Union becomes more important in their lives and the European Parliament assumes more power in determining EU policy, the declining turnouts in European parliamentary elections — down to 56.6 percent this month — will probably continue.

Some skeptics believe the European Parliament cannot gain credibility with the public as a democratic institution until it is able to initiate legislation and until its members are elected on a EU-wide basis instead of country by country; on this point, the 12 member countries cannot yet coordinate their voting rules or even the day on which the balloting is

Continued on page 19

Communications / The New Countdown

Telecoms Anticipate 1998 Deadline

This time, it is 1998 and telecommunications that are mobilizing the EU's forces and reshaping its markets. Nineteen-ninety-two has come — and stayed. Nineteen-ninety-eight is at hand, and the similarities with its predecessor are striking.

Like 1992, 1998 is about the creation of a single market through the elimination of such obstacles to free competition as restrictions and monopolies. In the case of 1998, this open market will be in telecommunications services. As was the case with 1992, impressive figures on this market's size, needs and potential are being cited. A study commissioned by Bayerische Landesbank Girozentrale, the Bavarian bank, recently reported that the international telecommunications sector's annual turnover is set to double to \$1 trillion by the end of the decade.

This rise, states the report, would make telecommunications "the world economy's pre-eminent sector" — a sector in which the EU holds a 25 percent share. According to the Trans European Network (TEN), a working group chaired by EU Vice President Henning Christophersen, the upgrading of the EU's telecommunications infrastructure will cost 140 billion Ecus (\$165 billion) over the next five years, generating vast quantities of further business for EU companies.

As was the case for 1992, these heady figures are being accompanied by even headier visions. Telecommunications are inducing "a new industrial revolution in Europe," in the words of the Bangemann group, named after its chairman, EU Commissioner Martin Bangemann. According to the group, the fruits of this revolution will be a "networked" union. The EU's greater productivity and efficiency will be achieved by companies enjoying immediate and equal access to the information required to operate

at high rates of efficiency. Indeed, if EU heads of state endorse the principle of competing networks at this week's summit, the European Commission could take immediate steps to liberalize telecommunications infrastructure in the Union.

In a scenario again reminiscent of 1992, all of the EU's telecommunications companies are racing to prepare for life in the post-1998 world, without really knowing what it will be like. Their pace has been so fast, in fact, that most major telecom producers and suppliers — with several notable exceptions — would like to see the date brought forward.

The exceptions include Deutsche Bundespost Telekom and France Telecom. Their reasons for opposing this move are simple. Nineteen-ninety-eight means the loss of their key monopoly on public standard (speech-related) telephone services, and they need time to get ready.

To do so, they are going private — France Telecom in 1994, according to French official sources, and Deutsche Telekom in mid-1996. These privatizations involve the acquisition of new capital via stock-exchange flotations and the reworking of pension plans and work-force regulations. This will not be simple. In the German company's case, becoming a private-sector company will involve the passing or modification of some 300 laws.

In a further parallel to 1992, this pending date has already triggered new alliances, entries and approaches. France Telecom and Deutsche Telekom have announced the formation of a wide-ranging working arrangement. At its heart is the reformation of Eutelsat. This "old-new" subsidiary (it was originally founded in 1992, but founded) is to provide corporate customers with worldwide communication systems management and

data communication services. To give this 1 billion Ecu partnership the requisite worldwide reach, the two companies have entered into an alliance with Sprint, the third-largest U.S. long distance telecommunications carrier. To cement their partnership, they are taking a 20 percent stake in Sprint, at a cost of 7 billion Deutsche marks (\$4.3 billion).

In early June, the Gesellschaft für Datenfunk (GfD) received a license to launch data communication services. To that end, this German-French consortium is investing 500 million DM in its broadcast network. GfD has some powerful assets — the power masts and lines of RWE, the consortium's leader and Germany's largest provider of electricity. According to Der Spiegel, in preparation for the launching of GfD, RWE has already laid thousands of kilometers of high-capacity fiber-optic cable. This would constitute Germany's second national telecommunications grid should GfD, as widely expected, enter into the standard speech-services sector.

GfD is only one of three such "electricity to telecoms" consortia in Germany. Other such consortia are being formed throughout the EU.

A major new technology, the "telecommunications nexus," neatly incorporates the several hundred components of Europe's telecommunications sector. Each of the different services (speech, fax, data transmission, teleworking, teleconferencing, E-mail), carriers (standard, ISDN, upgraded ISDN, satellite-based, radio-based and their combinations) and each of the different categories of service and equipment providers and end-users and their positionings are plotted as a single point. This nexus is reportedly in regular use among the groups working to establish the EU's post-1998 telecommunications market. T.S.



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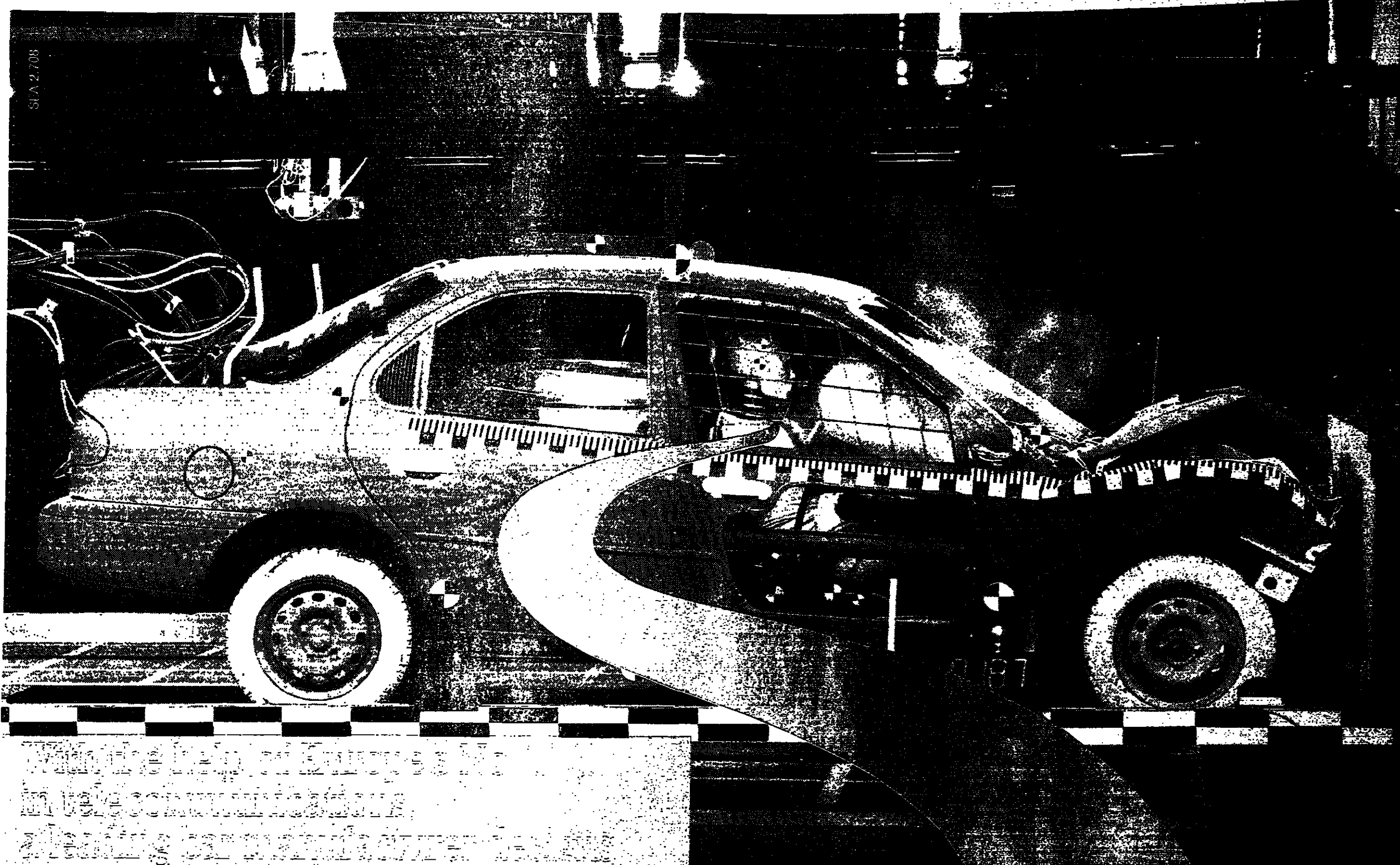


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TO OUR READERS IN LUXEMBOURG

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Want the help of Europe's No. 1 telecommunications company in making your company safer and better? Here's how.

The success of international companies is becoming increasingly dependent on infor-

mation logistics. That's why more and more of these companies are taking advantage of Telekom information management systems. One particularly good illustration of this is the Telekom contribution to the WAN (Wide Area Network) project at Ford Motor Co. This worldwide data network, which links all Ford national and international operations, was set up and running in the shortest possible time. Its objective: to create a cost-efficient communications system. One feature is its ability to transmit the results and data of computer-simulated crash tests to and from the company's research and development centres based in Cologne (Germany), Dunton (England), and Ford's supercomputer in Detroit (USA). Compared to real-life testing, this dramatically cuts down the time it takes to acquire vital design information. To successfully complete this project, Telekom undertook all negotiations with the various international telecommunications authorities, created a special project team to investigate all project-related requirements and coordinated all the transmission channels to suit the customer's demands.

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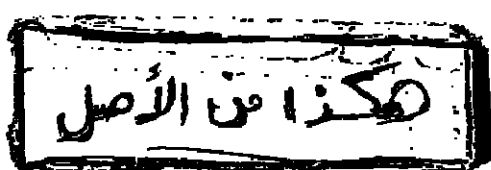
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Deregulation / No Pain, No Gain

Airlines Begin to Move Out From Governmental Shelter

The tragicomic scene at Orly Airport outside Paris in mid-June could have been straight out of an old Peter Sellers movie. French demonstrators, banner wavers and even regional folklore groups sought to hinder the start of British Airways flights from Orly to London, a concession granted under Europe's air liberalization laws.

The demonstrators were partly successful in delaying some flights, but the outcome seemed to confirm that the European Union's highly complicated airline deregulation was under way. British Airways, of course, has led a "crusade" against government control through its successful privatization, its establishment of an airline in Germany and its entry into the French market through the purchase of major regional French carrier TAT.

As last year's landing-strip riots at Paris's Charles de Gaulle airport showed, however, unions backed by national pride in possessing a flag-carrying airline are not giving in easily to ideas of market freedom.

Major carriers such as Lufthansa, Air France and Iberia are headed for privatization, but their workers are not prepared for the shock of what happened at British Airways when it went from state to private ownership. Some 20,000 jobs were shed, routes were reduced and assets sold. Now profits have returned, productivity has increased and jobs have come back.

Two men, above all, are fighting the state funding of European airlines. One is Geoffrey Lipman, president of the Brussels-based World Travel and Tourism Council, the industry's most powerful lobby. He commented after the Orly events: "If liberalization of trade were to be held hostage to protectionist demonstrators, as happened at Orly, we would still be in the steam age. The past three years have demonstrated more than ever during hard times that U.S. deregulation and European liberalization are here

to stay. The problem is the lack of a truly liberal, competitive environment that allows airlines to operate like other businesses."

The big subsidized carriers are demanding one last swig from the state bottle. Against them stands the other crusader for open skies, Sir Michael Bishop. The head of British Midland, Britain's second-largest carrier, he is a longtime champion of cheaper fares — witness his Diamond-class business-class fares between Britain and Europe, a virtual two-for-one deal.

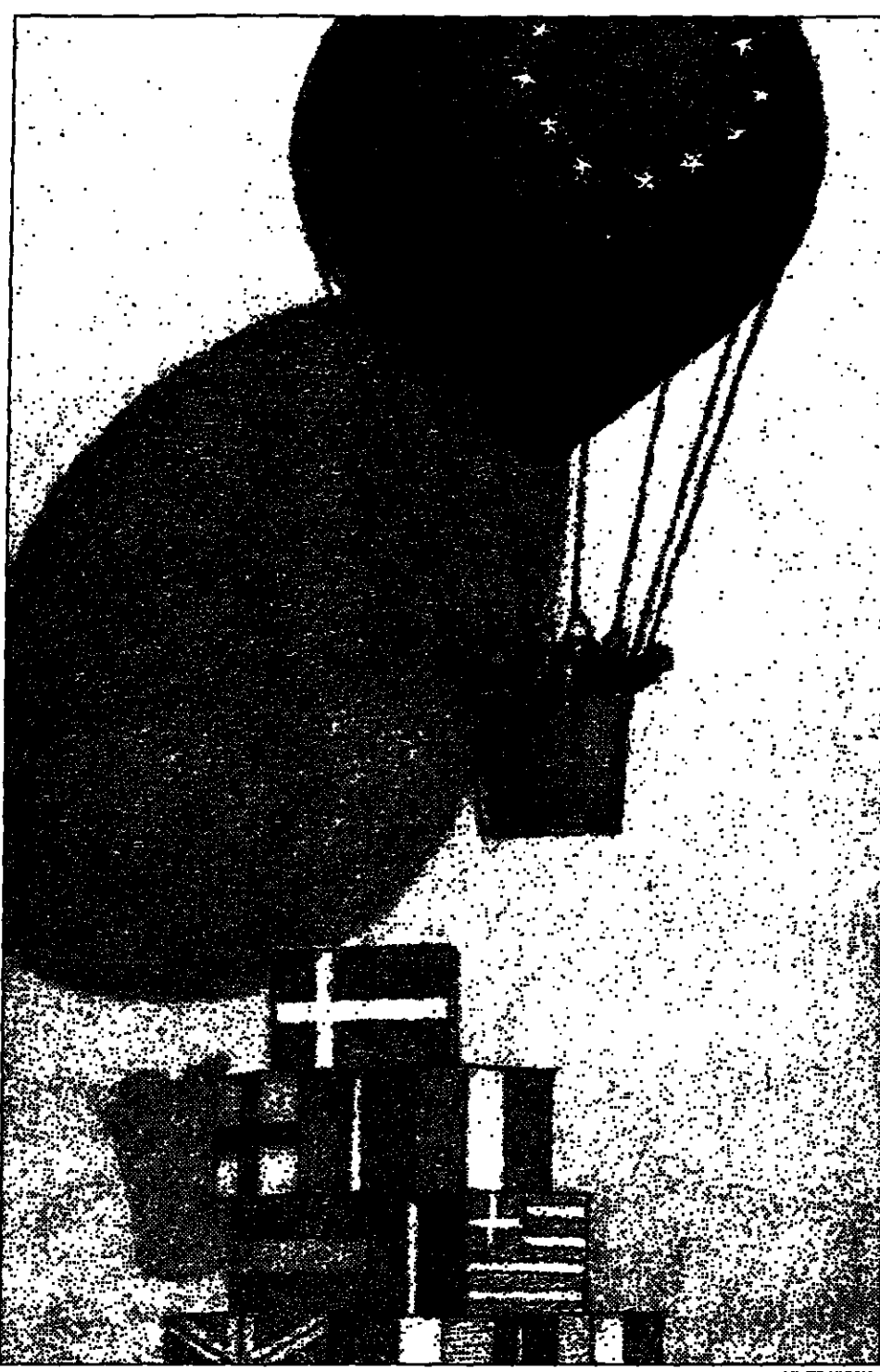
Sir Michael does not mince words. "Ninety percent of European Union air routes continue to be operated through state-owned airline monopolies or duopolies," he says. "Only 26 routes are served by more than three carriers. Of the 15 busiest cross-border routes in Europe, 10 continue to be served by the two national airlines of the countries concerned. You can count on the fingers of one hand the major air routes in the European Union where fares have fallen in the past 40 years."

Lower fares are coming — slowly. British Airways and British Midland have shown the way. Privatization seems the answer once British Airways-style shocks have been accepted by Europe's unions.

By 1997, European airlines will have complete freedom in choosing which routes they wish to serve, which countries they wish to operate between and, within certain limits, the fares to be charged.

For the moment, complex issues of national pride and jobs are hindering deregulation, as the Orly incident showed. However, as Sir Michael states: "Over the past few years, in the face of intense opposition from some quarters, the European Commission has moved bravely and decisively to open up the airline market to competition with its famous 'Third Package' of measures." Eventually, we may see the Italians operating between Aberdeen and Stavanger.

Alan Tiller



MILES HYMAN

Travel Industry / Hardy Perennial

Tourism Sector Is Back in Bloom

Boom times look to be back again for tourism in the European Union. People are spending and traveling again. Traffic in the first quarter of this year rose 9 percent as discounted air tickets, hotel reductions and attractive packages helped push the industry toward recovery.

Classical holiday destinations in the Mediterranean such as Spain, France, Italy and Greece are benefiting from the drop in tourism in other countries in the region, notably the former Yugoslavia, Turkey and Egypt. This redistribution of travelers is helping EU destinations from Britain to Greece.

The latter is set to go above the 10 million mark for visitors this year. (Local advice: avoid island-hopping in July and August, when the boats are expected to be crammed in this record summer.)

Europe, which had 296.5 million arrivals last year (up 2 percent from 1992) and tourist receipts of \$16.6 billion (up 5.7 percent), is the world's largest tourist destination after the United States. Airline sales are up, according to both the International Air Transport Association and the Association of European Airlines.

Tourism, already Europe's largest industry, is a major source of jobs. The importance of this has not escaped the European Union, which is increasingly allocating money from its considerable regional budget for tourist projects, be they roads on Greek islands or entertainment parks in Ireland. European Union aid for tourist projects within the 12 countries has recently risen to 2.3 billion Ecus (\$2.7 billion), with the European Investment Bank adding another billion Ecus.

France expects its impressive total of 60 million visitors in 1993 to be repeated, giving the country a massive tourism surplus. Spain expects 58 million visitors following the devaluation of the peseta and new efforts to increase the price-quality ratio in hotels.

Italy, which has managed to hold down its hotel prices, expects a 10 percent jump in the number of tourists, rising to as high as 50 percent in Sicily.

Behind the impressive figures — IATA showed passenger totals climbing 12 percent in March — the industry is engaged in a new round of airline mergers or

links, such as the one between Alitalia and Continental, the latter being the pacesetter in cross-Atlantic cost-cutting.

Major travel-agency agreements like the one between France's Wagons-Lits Travel and the U.S.-based Carlson offer both the business and holiday traveler cheap fare-scanning systems. The venerable Thomas Cook agency, now German-owned, is doing the same, and is probably best placed for plane and train reservations across Europe. Its new European train guide is a modern version of that of Grand Tour days.

A range of bargains is available for this season's traveler, be it at a three-star hotel or at Britain's prestigious Savoy group, which is offering a double at Claridge's for £180 (\$240) a night and a £35 meal. A two-course meal for £8 a head at London's Simpson's-in-the-Strand must be one of the season's best bargains.

Hoteliers are saying the recession is over and are doing their best to encourage the upturn. While much has been said about lower occupancy at the top end of the market, this is contradicted by the fierce battles for control of major luxury groups that have come onto the market, such as the Italian Ciga chain, among the best in Europe, and the Meridien branch of Air France.

Even this category of hotels offers services that were unknown a few years ago. Rooms at the Conrad Hotel in London, for example, are bigger than many European apartments. Workstations are installed at most Hilton International hotels. The Lucien Barriere resort group in France at Deauville, La Baule and Cannes is offering rates of little more than \$100 a night with golf, tennis, riding and sailing thrown in. This may be Europe's best deal.

Double air-mile deals abound, as well as free overnight stays on several outbound destinations, like free rooms in Bologna and Turin on Alitalia out of London. The Scots have worked out similar deals with Air France in Paris.

The Channel Tunnel, when it becomes fully operational, will give a tremendous boost to European tourism, as will the growing hook-up between high-speed trains and airports.

A.T.

Services / The True Transnationals

While Information Travels, Providers Can Stay Home

The figures indicate that in one key area, the single European market's basic aspirations have not yet been realized. The service sector accounts for 64.6 percent of the European Union's gross domestic product, 60.3 percent of its jobs — and only 18.4 percent of intra-Union exports.

Nonetheless, the post-1992 EU features a rapidly expanding, relatively free market in transnational services. This market was created by EU legislation and fanned by EU-induced demand. It is also spawning a number of spin-offs in the fields of education and research services.

For understandable reasons, the EU's market for services is undercounted. These services take the form of vast numbers of legal documents, blueprints, statistical analyses, learned opinions and environmental audits. Much of this information is provided via computer, fax and telephone lines.

Since these lines have no customs stations at their border crossings, it is not possible to monitor these transnational services by standard methods. Not counted, for instance, are the reported 10,000 people making Scotland one of Europe's teleworking centers, or Dublin's corps of offshore investment salespeople. Also not included are Rostock's CAD/CAM experts, who send their component designs via multimedia connections to shipyards throughout Europe, and Baden-Württemberg's long-distance mechanics, who use satellite links and on-site microprocessors to repair machines located thousands of kilometers away.

To tabulate this growth, service industry experts are resorting to such esoteric indicators as the number of "non-local-language offshore policies" written by the EU's insurers, or that of personnel recruitment advertisements placed by non-local agencies.

Another closely watched indicator is the proliferating number of multisource data banks. In various stages of development, they link national authorities, agencies and companies into EU-wide information networks. Feeding on these networks are so-called Euroexperts, whose expertise and forms of organization are pan-European in scope.

The EU was instrumental in the creation of these networks, often providing funding. EU institutions also cleared the way for their use by the Euroexperts.

Also partially funded by the EU is the European Institute's European Economics program. Now in its fourth year and held at the campus of the University of Saarbrücken, the program has been designed as a breeding ground for a new generation of Euroexperts. Graduates earn the Master of Business Administration Europe and Master of Economics Europe degrees.

T.S.

Institutions / Creating a True Union

Parliament's Current Task: Maintaining Delicate Balance

Continued from page 17

held. On other hand, there are several key tests looming for the European Parliament — opportunities to enhance its real power as well as its public image. First, the heads of the 12 governments are about to pick a successor to European Commission President Jacques Delors. The European Parliament has veto power over the choice, which it is unlikely to use for fear of further straining the already fragile EU structure.

It is equally unlikely, however, that the 12 heads of government will pick a president obviously unacceptable to a majority — or even a significant minority — of Euro MPs. This means that the prospective candidates are being careful to forge political alliances with Euro MPs. Euro MPs, meanwhile, are more likely to support a candidate who thinks the European Parliament should have more power in the near future.

In addition, the European Parliament will hold confirmation hearings on appointees to the European Commission, the EU's chief policymaking arm. A country or a prospective commissioner not promising to support expanded European parliamentary powers could end up being embarrassed.

If the European Commission or the member nations do not bow to the Parliament's demands for more legislative authority, then Euro MPs could also scuttle expansion plans.

A long-range test will be the 1996 inter-governmental review of the Maastricht treaty. This constitutional review, mandated by the treaty itself, could be a major step in raising the Parliament to equal status with the European Commission. That is what the last Parliament demanded, but the proposal has opposition, notably from Britain and France.

What role the European Parliament plays in that review — a key step in determining the future of European political and economic union — will in large part decide what role Euro MPs play in the European Union of the 21st century.

One thing, though, is certain. The new Euro MPs and the new EU president, whoever it is, cannot stand by and wait for the member governments to hand over power. It is up to them, individually and as an institution, to generate enthusiasm among the general population, gain support from national governments and gather power at the European level.

Timothy Harper

Flashes / EU News

Business Briefs: Regions, Repositioning and Equine Rights

• Even before the June 12 referendum on Austria's accession to the EU, St. Pölten, capital of the province of Lower Austria, was confidently flying the 12-starred blue-and-gold flag and seeing itself as a bridgehead to the neighboring countries of the Czech Republic, Slovakia and Hungary. The potential opportunities for St. Pölten in this "New Europe" were outlined by Wolfgang Streitenberger, director of NOPLAN, the planning company for the city's administrative sector, due for completion in 1996. "To my mind, there is no major European city such as St. Pölten, with its high standard of living, can and should enhance the qualities of urbanism and urbanity that are disappearing from the large cities of Europe." With this in mind, a whole self-contained cultural district is being built adjoining the governmental area, intended to show that in a Europe of the Regions a city like St. Pölten can compete effectively even with a metropolis like Vienna, 60 kilometers (37 miles) away. "It is important," says Mr. Streitenberger, "that small communities remain optimistic when confronted with the EU colossus." David Hermges

• Since the introduction of the single market, European Union financial houses have been availing themselves of the freedom to expand into new markets. An unforeseen element has been the wave of finance houses re-casting and repositioning themselves. A parallel development has been the change in the nature of privately held companies going public and international. "There is nothing new about companies based in Germany and other national European markets seeking capital abroad," says Uli Kaen at the Munich office of

Europäische Investitions S.A. "America's stocks and securities exchanges — plus, to a lesser extent, London and Luxembourg — have traditionally been main sources of venture capital for the Continent's young, high-tech companies. Today, however, in the wake of the financial markets' new internationalism, whole corporate sectors, including Germany's once-staid small and medium-sized businesses, have decided to profit from the greater openness and liquidity characteristic of New York and other leading international financial centers. Our group's role is to provide access to those centers." To do so, the Europäische Investitions

group secures listings for its corporate customers on the NASDAQ and other exchanges. T.S.

• Working to improve the welfare of the EU's equine population is the International League for the Protection of Horses, which has launched a campaign to bring about changes in the European regulations covering the transportation of horses for slaughter. According to the British-based charity, whose Continental subsidiary is located in Paris, a Europe-wide petition is being circulated protesting against the conditions under which horses are currently shipped within the EU, and calling for revised standards to be applied to animals coming from outside its borders. The League hopes to place the petition before the European Parliament and Council of Ministers in July.

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SPORTS WORLD CUP

The Day Soccer Got a Root Down in the Foreign Fields of America

By Ian Thomssen
International Herald Tribune

PASADENA, California — The ball in the Colombian goal was like a seed, never mind how it got there. The confidence of the American players grew from that seed, and their confidence was like new ivy growing out across the soft green floor of America's grandest football stadium.

It shot up through the aisles to the frames of the scoreboards, which on Wednesday had this to say: USA 2, Colombia 1. If not for that, you would not have believed the rest of it — hundreds of American flags whipping and no wind in the air; the singing of "U-S-A, U-S-A," which attained the pitch of a heavy locomotive circling the Rose Bowl time after time. Shut your eyes for a moment and you began to doubt you were here; open them and you realized that no one has ever experienced anything like this at a soccer game in America.

USA 2, Colombia 1. The Americans hadn't won a World Cup final match since their 1-0 victory over England in the Brazilian mining town of Belo Horizonte on June 29, 1950. The English blamed a rutty pitch, the Colombians can blame their own terrorists, who reportedly threatened by force to blow up the families of midfielder Gabriel Gómez and the team's coach, Francisco Maturo. If Gómez played Wednesday, while the scorer in 1950 was the Haitian-born Joe Gaetjens, who headed in a cross bobbled by the England goalkeeper, the U.S. scorers 44 years later were a striker born in

the Netherlands plus an unnaturalized and deeply aggravated Colombian.

The Americans are almost certain of advancing from the first round for the first time since the inaugural 1930 World Cup. They share the lead in Group A with the Swiss, each with four points. The Colombians were favored by Pelé to win the title — they beat Argentina by 5-0 in Buenos Aires, never forget — but with zero points from two matches they are likely to return home next week. Their small hope for a "wild card" berth is to beat Switzerland by a wide margin on Sunday while relying on the United States to beat Romania, and then hope the tiebreakers work in their favor.

"It's the single most important game in the history of soccer in this country," said Alan Rothenberg, the Los Angeles attorney who oversees this World Cup as well as the U.S. Soccer Federation. "1950 was a fluke — that game went by in a flash. This one is going to have permanent impact."

If soccer does catch on in the United States, it began doing so here Wednesday. After a passive 1-1 draw with Switzerland last weekend, the Americans seemed destined to become the first host nation in 15 World Cups to fall out in the first round.

The Colombians, upset by Romania in their opener, were attacking on their right side via right-side midfielder Fredy Rincón, who simply could not be stopped short of the U.S. goalkeeper, Tony Meola of Kearney, New Jersey. The U.S. team was pushing the other way via its left-side midfielder, John Harkes of Kearney, New

Jersey, who rarely dropped back to dispel Rincón. With Meola's help, Harkes was determined to beat Rincón to the punch. Kearney is a northern immigrant town, its youth heavily influenced by Pelé's New York Cosmos of the mid-1970s. The Italian Meola moustaches his hair and ties it in a nub at the back. The New York Yankees drafted him seven years ago, and even now, in goal, hulking and slightly hunched, he looks as if he ought to be spitting tobacco.

At Meola's urging, his teammates took a big leap of faith, pushing forward when they clearly felt in their hearts that they should be lying back.

A surprise starter in the defense was Fernando Clavijo, a reformed indoor player who in spite of his age, 37, is one of the faster Americans. He seemed to be part of a prevent-defense strategy against the fifty, lightning-fast Colombians. And, for a long while Meola's defenders expressed their doubts — whether it was U.S. defender Marcelo Balboa casually passing back a near-opportunity for Rincón, or Alexi Lalas of the United States waiting to set up a play before rocketing a useless ball over everybody, or Paul Caligiuri occasionally waiting too long to get the ball away to Harkes.

They would get over their nerves eventually.

In the meantime, Rincón was showing off and causing great American distress. A vicious shot from Herman Gaviria bounced off Meola, and the infuriating American midfielder Mike Sorber chested the ball off of his own post. Antony de

Avila then nailed Sorber in the thigh with another shot before Clavijo cleared.

While the Colombians were more intimidating, the Americans broke back in Harkes' image. Milutinovic has tried to put in a system of ball control, but that was forsaken in the helter-skelter of the first half. Before the Colombians knew it, Harkes was sending ball after ball forward to Eric Wynalda and Ernie Stewart, the aforementioned Dutchman of a U.S. Air Force father.

Back and forth they went, every Colombian drive forward a real threat, every American response a surprise. The surprises included two good ones in the 28th minute, the first a running corner header by Balboa over the bar, then Wynalda's shot through a defender's legs and against the far post.

Then the goal: In the 35th minute there was a low cross from Harkes attempting to lead Stewart into the box. In fact, Stewart was blotted out by Colombia's premier defender, Andrés Escobar. But Harkes plays in the dogged English league and so he tried vainly to push it ahead of the Colombian. The pass wasn't quite good enough. Sliding, Escobar was able to get a leg on the ball. But it had more force than he imagined and deflected off his shin and behind his beleaguered goalkeeper, Oscar Córdoba, into the net, while he sat holding his knees. He had given the United States its first lead in 44 years.

Over the next few minutes you began to realize that it had been quite some time since the Colombians had bothered Meola.

In the 38th minute, Stewart almost caught Córdoba out of the box. A better deflection for Stewart and he would have had an open-net goal.

Maturo would admit that his team had been burdened as favorite, trailing by 1-0 at halftime, it seemed as though the death threat and the own-goal had taken their Colombians' last breath of life.

Two hours before the game, according to a team spokesman, terrorists sent a fax threatening to blow up the homes of Maturo and Gómez if the latter was in the lineup. The highly respected Maturo considered resigning rather than comply, he admitted; crying, he was comforted by his players. Eventually he relented, replacing Gómez with Gaviria, per the terrorists' wishes. Gaviria plays for Atlético Nacional of Medellín, the city of the late drug lord Pablo Escobar Gaviria.

"I am devastated, this is a terrible thing to happen to me," the 34-year-old Gómez said 45 minutes before kickoff. "My career as a footballer is effectively over. I cannot play under this pressure."

Earlier this week, defender Luis Herrera learned that his brother had been killed in a car crash in Bogotá. Herrera decided to play.

"This is a terrible day and we have let the country down," Maturo said. "Despite all the problems, I never imagined we could play as badly as this. I do not know where we go from here — home probably." At halftime he inserted Iván Valencia and Adolfo Valencia for forwards Fausto Asprilla and de Avila, but that solved

little. "The ideal situation would have been to make 11 substitutions at halftime," Maturo said.

The ideal American situation came moments after a goal by Lalas was disallowed by a questionable offside call. In the 52nd minute, the Americans began playing with the ball at midfield in ways that were unimaginable before Milutinovic's arrival three years ago. Back and forth, swiftly laterally, it was as beautiful as anything the Colombians had tried. Indeed, it caught them off-guard as Lalas' chipper, over-Escobar to Stewart, whose shot was barely deflected by the outstretched Córdoba. The entire team leaped into the air, celebrating, too late to breathe.

By then U.S. soccer had shown 44 years of growth in the space of 25 minutes. Lalas nearly back-kicked a goal, then was fouled by Harkes, and Harkes nearly kicked a corner to the wrong side of the post. The 93,194 fans — most of them reared on American football — were having like-fans of soccer, the same way through the deadly game.

Surrounded by the San Gabriel Mountains, the Rose Bowl is essentially the Pan of American football, having managed to create the likes of "O.Y. Simpson," who played here as a college star, and Alvin Karpis, a star of the professional game. The better — and for worse — the Americans seemed like children in the Rose Bowl, doing things that they never did before. It made you wonder, how many of these kids will grow up over the next two weeks.



Alexi Lalas, U.S. defender, waving the flag in jubilation after the Americans scored a stunning 2-1 upset of Colombia.

Milutinovic: More Than Lucky

International Herald Tribune

PASADENA, California — He is a footballing gypsy who some see as a genius, others as a talisman of a coach with the knack for dropping in at the right places at opportune times.

It must be more than luck. For Bora Milutinovic has now charmed Mexico, Costa Rica and the United States beyond their station at successive World Cups.

The fellow blends teams from disparate parts. He wiles away doubts with cunning and laughter, and what his latest adopted country would call positive mental attitude.

He has coaxed Team America to World Cup credibility, helped 22 players to pool bonuses of \$575,000 for reaching Round 2. When the moment of acclamation came, when Milutinovic wrestled clear of euphoric players in the splendid Pasadena Rose Bowl, he had to wipe his spectacles. That wasn't because of Hollywood's infamous smog. Nor was it the hot air belated out by the 93,194 spectators, many of whom turned tail-gate parties into night-long jamborees. As Mexicans and Costa Ricans can testify, moisture affects Milutinovic's view on four-year success cycles.

His emotional commitment is extreme, the spirit contagious. He can be thin-skinned and volatile, but it matters not that some players snigger behind his back, muttering mutinous oaths concerning his methods and his madness.

The point is, in three languages, three dialects anyway, they carried out his plan. They may not, of course, have understood it. He may not always know how it will come out.

It is difficult when the coach mixes instinct with theory; difficult and sometimes hilarious when he delivers in combinations of five languages. But then, soccer is a lingua franca. President Bill Clinton pronounced as much a week ago, approximately three decades since it became the moving spirit of the Milutinovic siblings.

Bora and two brothers all played for the Partizan Belgrade side of the 1960s. Bora, the youngest, did the running for the other two, though later in his nondescript career he flew the family nest to play for FC Winter-

hur in Switzerland, for Monaco, then Nice and Rouen in France, and finally UNAM Pumas in Mexico.

His game gathered guile so that he could plot and pass and point for others to run. His salary progressed from "the equivalent to two lousy cents" in Belgrade to a healthy remuneration on which to marry and father a daughter.

Later, this energetic, eager, opportunistic little nomad began plying his trade by telling — usually with demonstrative body language — players what to do. His restless spirit moved him from clubs to national teams, from Mexico via Italy, Argentina and Costa Rica to Mission Viejo.

This \$3.3 million Californian retreat is the training base where, morning and night, he can use floodlit pitches to turn college boys into men who can hold their own with World Cup stars.

Not all came through the college system. Not all are full-blooded Americans. Like other managers, Milutinovic is adept at playing the family-tree game and at finding residential loopholes to claim talented individuals, in America's case often Hispanics whose spark is in the genes.

In Wednesday's victory, Tab Ramos was more inspirational than any Colombian. We all have our theories as to why the Colombians were so lethargic, why their explosive and exciting skills were dormant. One is that Gabriel Gómez feared to even to appear on the bench after a faxed warning that his family would be blown up in their home if he played and Colombia won. Gómez was the lone absentee, but others seemed to have switched off in mental sympathy with him.

Team officials refused to confirm or deny that, or other rumors of strife on the squad. But while the Colombians, with infinitely greater individual flair, could never get it together, Ramos, born and raised in Uruguay, was the spearhead of the U.S. counterattacks.

He had help. Solid, committed running from Tom Dooley, the German son of an American serviceman; from Ernie Stewart, the sprinter born in the Netherlands.

Cultural core of Milutinovic's racial and cultural mix also harnesses home-born and blueberry-pie-eating Yanks. You'd guess that from their names: the agile goalie, Tony Meola; the guitar strumming Alexi Lalas, the rock solid Marcelo Balboa.

Not content with laming Francisco Asprilla & Co. the room to strike, Balboa produced what should be a patented attempt at goal. His head into the net, the volley over his head, was executed with such sweet coordination, such swift violence, that the U.S. Soccer Federation ought to tape it for showing to the best millions of youngsters who come knocking on soccer's door.

There was a time when America's soccer was straight-jacketed, when a defensive player like Balboa, a Chicanon out of San Diego University, would have lost his place on the roster for such a show of flamboyant independence.

Independence is the name of Bora Milutinovic's game. He coaches a framework which requires more running from most of his players than most other squads do in this World Cup. But he condones anything within that, he believes in the game going forward whenever possible.

Straight forward, the way he combs his hair. In both cases it helps disguise what isn't there. It binds the team spirit. It unnerves teams of sharp attack but steady defense, like Colombia.

But attack as the best form of defense will take Americans only so far. Should they run into Germany in this tournament, that — just as surely as we were that Colombia would be too skilled and too knowledgeable for them — will be the end of the road.

Sooner or later, Milutinovic will move on. He is just passing through, gathering riches and tributes, but stopping a while to feel his roots.

Recently in Amsterdam, he toured the museums. Coming down the steps of the Anne Frank House, a companion noticed that Milutinovic had been crying. Why not? Emotion is part of the man, and the wretched sadness of war has been with him since he lost his own parents that way in what was Yugoslavia.

Soccer isn't any kind of a war. But it is a passion, a winner-take-all of pride and emotion. And Bora Milutinovic knows better than most that you don't have to like everything about the game you share a passion with. You just need to know why you are there and what your aim in life is.

Go, U.S. Go!

Rob Hughes is on the staff of The Times.

CALENDAR OF WORLD CUP GAMES, RESULTS, STANDINGS

FIRST ROUND						GROUP C						GROUP E						Game 41					
All news GMT						W L T GF GA Pts						W L T GF GA Pts						Group E winner vs. Group D second place, 20 GMT					
Three points awarded for a victory						W L T GF GA Pts						W L T GF GA Pts						Group E winner vs. Group D second place, 20 GMT					
GROUP A						Friday, June 17						Saturday, June 18						QUARTERFINALS					
Switzerland	5	1	0	2	4	Germany	1	0	1	2	1	Ireland	1	0	0	1	0	3	Saturday July 9				
United States	1	0	1	3	2	Spain	0	2	3	3	2	Norway	1	0	0	1	0	3	Game 45				
Romania	1	1	0	4	5	South Korea	0	0	1	2	2	Italy	0	1	0	0	1	0	At Estoril, Portugal, N.J.				
Colombia	0	2	0	2	5	Bolivia	0	1	0	0	1	Mexico	0	1	0	0	1	0	GMT				
Saturday, June 18						At Chicago						Ireland 1, Italy 0						Game 42 winner vs. Group 39 winner, 1605 GMT					
At Pontiac, Mich.						Germany 1, Bolivia 0						Saturday June 19						Game 43					
Switzerland 1, United States 1, tie						At Dallas						At Washington						At Foz de Iguaçu, Brazil					
At Pasadena, Calif.						Spain 2, South Korea 2, tie						Norway 1, Mexico 0						Game 41 winner vs. Game 42 winner, 1935 GMT					
Romania 3, Colombia 1						Tuesday June 21						Thursday June 23						Sunday July 10					
Wednesday June 22						Germany 1, Spain 1, tie						At East Rutherford, N.J.						At East Rutherford, N.J.					
At Pontiac, Mich.						At Chicago						Italy vs. Norway, 2005 GMT						Game 44 winner vs. Game 43 winner, 1605 GMT					
Switzerland 4, Romania 1						Thursday June 23						Friday June 24						Game 45					
At Pasadena, Calif.						At Foz de Iguaçu, Brazil						At Orlando, Fla.						At Stanford, Calif.					
United States 2, Colombia 1						South Korea vs. Bolivia, 2335 GMT						Mexico vs. Ireland, 1635 GMT						Game 39 winner vs. Game 40 winner, 1935 GMT					
Sunday June 26						Monday June 27						Tuesday June 28						Wednesday July 13					
At Pasadena, Calif.						At Chicago						At East Rutherford, N.J.						At East Rutherford, N.J.					
Romania at United States, 2005 GMT						Bolivia vs. Spain, 2005 GMT						Ireland vs. Norway, 1635 GMT						Game 47 winner vs. Game 46 winner, 2335 GMT					
At Stanford, Calif.						At Dallas						At Washington						Game 48					
Switzerland vs. Colombia, 2005 GMT						Germany vs. South Korea, 2005 GMT						Italy vs. Mexico, 1635 GMT						Game 49 winner vs. Game 48 winner, 2335 GMT					
GROUP B						GROUP D						GROUP F						THIRD PLACE					
Brazil	1	0	0	2	0	3	Argentina	1	0	0	4	0	3	Belgium	1	0	0	1	0	3	Saturday July 16		
Cameroon	0	0	1	2	1	1	Nigeria	1	0	0	3	0	3	Saudi Arabia	0	1	0	1	2	0	At Pasadena, Calif.		
Sweden	0	0	1	2	1	1	Bulgaria	0	1	0	0	3	Morocco	0	1	0	0	1	0	Game 48 winner vs. Game 45 winner, 2335 GMT			
Russia	0	1	0	0	2	0	Greece	0	1	0	0	4	0	0	1	0	1	0	0	Game 49			
Sunday, June 19						Tuesday, June 21						Sunday, June 25						Championship					
At Pasadena, Calif.						At Foz de Iguaçu, Brazil						At Washington						Sunday July 17					
Cameroon 2, Sweden 2, tie						Argentina 4, Greece 0						Netherlands 2, Saudi Arabia 1						At Pasadena, Calif.					
Monday June 20						At Dallas						Saturday June 26						Semi-final winners, 1935 GMT					
At Stanford, Calif.						Nigeria 3, Bulgaria 0						Belgium vs. Netherlands, 1635 GMT						Game 49 winner vs. Game 48 winner, 2335 GMT					
Brazil 2, Russia 0						Argentina vs. Nigeria, 2005 GMT						At Orlando, Fla.						Game 50					
Friday June 24						At Foz de Iguaçu, Brazil						At East Rutherford, N.J.						Game 51					
At Stanford, Calif.						Sunday June 26						At East Rutherford, N.J.						Game 52					
Brazil vs. Cameroon, 2005 GMT						At Chicago						Saudi Arabia vs. Morocco, 1635 GMT						Game 53					
At Pontiac, Mich.						Bulgaria vs. Greece, 1935 GMT						Wednesday June 29						Game 54					
Sweden vs. Russia, 2335 GMT						Thursday June 30						At Orlando, Fla.						Game 55					
Tuesday June 28						At Foz de Iguaçu, Brazil						Morocco vs. Netherlands, 1655 GMT						Game 56					
At Stanford, Calif.						Greece vs. Nigeria, 2335 GMT						At Washington						Game 57					
Russia vs. Cameroon, 2005 GMT						At Dallas						Belgium vs. Saudi Arabia, 1635 GMT						Game 58					
At Pontiac, Mich.						Argentina vs. Bulgaria, 2335 GMT						Game 59						Game 59					
Sweden vs. Sweden, 2005 GMT						Game 60						Game 60						Game 60					

SECOND ROUND




Group C winner vs. Group A, B or F third place, 1705 GMT
Game 38
 At Washington
 Group A second place vs. Group C second place, 2035 GMT
Sunday July 3
Game 39
 At Dallas
 Group F second place vs. Group B second place, 1705 GMT
Game 40
 At Pasadena, Calif.
Group A winner vs. Group C, D or E third place, 2035 GMT

See chart: Romania — Ion Visabiu (17m)
 United States 3, Colombia 1
Scorers: United States — Andrés Escobar (34th, even goal), Ernie Stewart (50d); Colombia — Adolfo Velez (19m).
Referee: Fabio Baldesi (Italy)
Yellow cards: United States — Alexi Lalas (48th); Colombia — Antonio de Avila (24th)

Goal Scorers
 After matches played Wednesday
 3 — Gabriel Batistuta, Argentina
 2 — Florin Răduciuc, Romania; Jürgen Klinsmann, Germany; Jan Andon Gálvez, Spain; Gheorghe Hagi, Romania
 1 — Georges Brusa, Switzerland; Adolfo Velez, Colombia; Carlos Valderrama, Colombia

for daily updates on scores, players and

THIRD ROUND

	At Orlando, Fla.	
	Group B winner vs. Group E second place, 1605 GMT	
	Game 42	
	Fixed Amlin, Saudi Arabia	
	Group B winner vs. Group A or D third place, 1935 GMT	
	Tuesday July 5	
	Game 48	
	At Foxboro, Mass.	
	Group D winner vs. Group B, E or F third place, 1705 GMT	
	Game 49	
	Fixed Amlin, Saudi Arabia	
	Group B winner vs. Group A or D third place, 1935 GMT	

FOURTH ROUND

GROUP K											
W	L	T	GF	GA	Pts	W	L	T	GF	GA	Pts
Germany	1	0	0	2	0	3					
Spain	0	1	0	0	2	0					
South Korea	0	1	0	0	2	0					
Bolivia	0	1	0	0	2	0					

FINAL

GROUP L											
W	L	T	GF	GA	Pts	W	L	T	GF	GA	Pts
Germany	1	0	0	2	0	3					
Spain	0	1	0	0	2	0					
South Korea	0	1	0	0	2	0					
Bolivia	0	1	0	0	2	0					



U.S. fans, dressed in patriotic garb, could hardly believe their eyes as their team defeated Colombia at the Rose Bowl.

The Luck of the Irish Fans: 'Only in America'

The Associated Press

BOSTON — The luck of the Irish has cut both ways for the group of fans stranded by an English tour operator, then rescued by American benefactors.

"At the beginning, it was terrible," said Alan Ashe, 30, a Dublin appliance repairman. "It was cruel. We talked about coming home."

"But everybody in Boston has been brilliant to us. They've made the whole trip for us."

"One thing you have to say and that's 'Thank you to everybody.'"

A group of 79 fans who had paid \$2,175 apiece were stranded in Saugus, near Boston, said Gerry McGrath, 43, a spokesman for the group. They were apparently bilked by an English tour operator that failed to provide them with transportation and tickets for World Cup games in New Jersey and Florida, including last Saturday's big game against Italy.

Dan Franka, the owner of Sports King, a

Stoneham, Massachusetts, travel

SPORTS WORLD CUP

All Due Respect: Swiss Pound Romania

By Christopher Clarey
New York Times Service

PONTIAC, Michigan — "Respect Switzerland," read the banner, engulfed in the familiar red-and-white flags.

After the performance against Romania, such public pleas seem unnecessary. Costa Rica's Roy Hodgson's well-balanced team, one of the surprises of World Cup qualifying, can no longer be taken lightly by anyone.

The 4-1 victory Wednesday over Gheorghe Hagi and the Romanians was Switzerland's first triumph in the World Cup finals in 40 years, and it was enough to put the team atop Group A, tied with the even more surprising United States. Each has four points and one group match left.

The Swiss broke open the game in the second half with three goals, two from striker Adrian Knaup, who missed the opening match against the United States with an ankle injury.

But Knaup was only one of several players based in Germany who received less-than-neutral treatment from the cowbell-clanging, flag-waving Swiss fans who filled the upper reaches of this indoor arena.

Switzerland's long-haired midfielder, Alain Sutter, was excellent again, scoring on a 60-foot (18-meter) blast in the first half. Striker Stephane Chapuisat, contained by the Americans, also broke loose, setting up Sutter's goal and scoring another himself.

In response, all the Romanians could offer was the individual brilliance of Hagi.

the diminutive playmaker known as the Maradona of the Carpathians, who figured in all three Romanian goals in its 3-1 thrashing of Colombia on Sunday.

Hagi scored again Wednesday but, as any European knows, there is a big difference between the Carpathians and the Alps.

Knaup's return certainly strengthened the Swiss attack. With him up front, opposing defenders could not focus their attention on Chapuisat, one of the leading scorers in the strong Bundesliga. It was Chapuisat who broke the 1-1 tie seven minutes into the second half, coming out of a scramble with the ball after a corner kick and putting it past Bogdan Stilea, the soon-to-be-beleaguered Romanian goalkeeper.

Fifteen minutes later, midfielder Ciriaco Sforza took advantage of some more lackluster Romanian marking to break free down the right side and set up Knaup's first goal. He would score again in the 73d minute on a header off a long free kick from 36-year-old Georges Bregy.

Despite the roars from the Swiss supporters, Hagi and the Romanians dominated play in the opening minutes: back-heeling, flicking and controlling the ball with apparent ease.

The Swiss looked disoriented as Hagi curled in three left-footed corner kicks to set up decent chances. But then Sutter, Switzerland's rising star in midfield, made his presence felt.

With 13 minutes gone, he fought his way through a tackle just outside the Romanian box and passed to Alain Geiger, who quickly pushed the ball back to Sutter. One-on-one against the goalkeeper, Sutter put the ball in the lower right corner and began celebrating, but the linesman's flag had gone up: Sutter was offside.

Angrily, he trotted back up field, muttering to himself with his long blond hair flapping against the back of his red jersey.

Two minutes later, his teammate, Christophe Ohrel, broke free down the right side and crossed into Chapuisat, who tapped the ball back out of the box. The streaking Sutter met it at full stride from 60 feet out and blasted it into precisely the same corner of the goal. This time it counted.

But the Romanians bounced back quickly and began playing more aggressively on defense. The equalizer would not come until the 36th minute and, predictably, it was Hagi who provided it, somehow dribbling up unmarked and surprising the Swiss defenders by shooting and scoring from 30 yards out.

The goal was Romania's fourth of the tournament, and the remarkably gifted Hagi has been a factor in all four: scoring twice and assisting on the other two.

His goal against the Colombians came from even longer range, but that time he was helped by goalkeeper Oscar Córdoba's poor positioning. This time, the Swiss goalkeeper, Marco Pascolo, stayed on his line.

WORLD CUP WRAP-UP

Compiled by Our Staff From Dispatches

LONDON — An unidentified Melbourne-based businessman bet and lost a total of \$67,500 (\$103,800) when Romania and Colombia lost their matches Wednesday.

The Australian staked \$40,000 on Romania to beat Switzerland at odds of 6-5 and laid out \$27,500 on Colombia to beat the United States at odds of 6-4 on the bookmakers William Hills said.

William Hills spokesman Graham Sharpe said: "We took some \$500,000 for Colombia to beat the U.S. and not much less for Romania to beat Switzerland in probably the biggest-ever betting plunge on football, said a spokesman for the bookmaker.

Ladbrokes' odds for Thursday listed Brazil as a 9-4 favorite, with Germany at 3-1, Italy at 7-1 and Argentina at 8-1.

Then came the Netherlands at 9-1, Spain, Ireland, Norway and Nigeria at 16-1; Romania and Belgium at 28-1; the United States and Switzerland at 40-1; Sweden at 50-1; Russia at 80-1; Cameroon at 100-1; Colombia, down from 10-1 to 150-1 with Bulgaria, Mexico and Bolivia, and South Korea and Morocco at 250-1.

Greece and Saudi Arabia were rated least likely to win, at 500-1.

● About 22,000 workers at the Hyundai Heavy Industries shipyard, who are also in a dispute over pay, voted to strike for three hours Friday. That happens to coincide with the telecast of South Korea's crucial match against Bolivia.

● By Tuesday's Argentina-Greece game, Alan Rothenberg, the chairman and chief executive officer of World Cup USA 1994, had visited six cities, to be at opening ceremonies at those stadiums. Saturday, he doubled up, attending the U.S.-Switzerland game in Pontiac, Michigan, then jetting to East Rutherford, New Jersey, for Italy-Ireland.

● "My wife said she was going to sell our bed," Rothenberg said. "When I come home, there's going to be an airline recliner seat."

● Some Greeks took advantage of the world-wide television audience of their team's match with Argentina to get out political messages.

Planes repeatedly flew over the stadium, carrying trailers with messages such as "Macdonia Is Greek" and "Free Cyprus."

At RFK Stadium in Washington, the political message was more parochial. A banner unfurled during Sunday's Norway-Mexico match read: "Baseball in D.C."

● Referee Fabio Baldas had to make a swift shirt switch early in the Colombia-U.S. match. Baldas, from Italy, changed into a purple shirt at the 14th minute, apparently because his silver-grayish shirt was too close in color to the denim blue and white worn by the U.S. players. With the United States

on the attack early on, midfielder John Harkes made a pass almost directly to the referee. There were no U.S. players in the vicinity.

● Argentina midfielder Diego Simeone said he had signed a five-year contract with Atlético Madrid. He has played for Sevilla for the last two seasons.

● As Ireland's team battles against dehydration in the stifling heat of Florida, its fans in Britain also fear a loss of liquids.

Stout sales surged on Saturday as drinkers celebrated the triumph over Italy, and some pub landlords have ordered emergency supplies of "the black stuff" after running dry at the start of the week.

"We've had reports of some pubs selling their week's supply in one night, particularly in areas with big Irish communities like north London, Liverpool, Manchester and the West Midlands," said a Guinness spokesman.

(Reuters, AP, NYT, AFP)



Midfielder Alain Sutter, with teammate Alain Geiger looking on, whooped it up after a first-half goal against Romania.

Cameroon Promises Pay to Avert Strike

Compiled by Our Staff From Dispatches

STANFORD, California — Hoping to avert a strike by its World Cup team, Cameroon's soccer federation, with an assist from the government, is promising nearly \$1 million to the players.

The long-standing dispute between the players and the Cameroon federation came to a head Wednesday, when Joseph Antoine Bell, the goalkeeper and captain, said the team was considering a boycott of the game against Brazil on Friday.

The players reportedly have not been paid for two months and some are upset about broken financial promises that go back several years, Bell said. The players were supposed to be receiving a \$10,000 bonus for playing in the World Cup with an extra \$5,000 per victory.

Cameroon was the darling of the 1990 World Cup, becoming the first African nation to reach the quarterfinals. In this World Cup, Cameroon drew 2-2 with Sweden in its first game.

Bell said that the problems predate the 1990 World Cup in Italy, a tournament he did not play in, and that money from the 1990 Cup had still not been paid.

Henri Michel, the coach of the Indomitable Lions, said the dispute was seriously disrupting Cameroon's preparations for the match against Brazil. The team arrived 45 minutes late for a news conference and training session at St. Mary's College in Moraga, near San Francisco.

"This is a serious problem," Michel, a Frenchman, said. They no longer have any confidence. They want to see the money, to get it in their hands, or get guarantees that they will receive it."

The dispute is one of several problems that have dogged the Indomitable Lions' World Cup preparations. Others have included having their main stadium closed by FIFA for safety reasons and administrative squabbling.

According to the Cameroon soccer federation, the government tried this week to placate the players with a suitcase containing more than \$500,000. They rejected the offer as inadequate, and the government — through the federation president, Maha Deher — now says more money is coming, probably an additional \$400,000.

The federation, in conjunction with the government, says it is trying to solve the



Diego Maradona, who scored a goal in Argentina's 4-0 thrashing of Greece, being escorted from a training session.

Dissension Reaches the Germans

Compiled by Our Staff From Dispatches

CHICAGO — The first bickering has surfaced in Germany's camp, with defender Thomas Berthold calling for a shake-up of the team and saying the coach, Berti Vogts, has been writing in insisting that the team is playing well.

While Vogts has been conservative with his criticism of the defending champions despite two below-par performances, Berthold said Wednesday: "It can't be right when the trainer says after every game that we are playing well when all the world can see it is not true."

"I have told him that. We should call a spade a spade. We have to do much more to win the World Cup. What we have produced so far has been terrible."

Berthold said he would prefer that the team's captain, Lothar Matthäus, move forward from libero to his old position in the midfield, where he could be more dangerous.

"When we look at the way the other teams are playing, I think it would be better to have a simple back four," Berthold

said. "We have the people to play our way out of trouble. Lothar is wasted there."

Vogts's decision to move the 33-year-old Matthäus from midfield into the sweeper's role 18 months ago was controversial, and made largely to give Andy Möller the space in midfield to become the main playmaker.

But while Möller is certainly talented, he has not yet shown the same inspiration that Matthäus has provided in the past when the Germans were in trouble.

With the Germans almost certain to win Group C, it is unlikely Vogts will change his tactics at such a late stage.

But Berthold has a reputation for being outspoken, and while teammates were being diplomatic with the press on Wednesday, the 29-year-old VfB Stuttgart player let fire.

"Every player has their job to do. Not everyone is doing it," he said. "We haven't played so many high, long balls forward for a long time."

The players, having been given the day off, were to hold a team meeting Thursday at

which they would look at a video of the Spanish match and discuss their mistakes. It was likely the meeting would last some time.

● Ireland's campaign took a blow when striker Tony Cascarino ruled himself out of Friday's match against Mexico. He was uncertain for the last first-round game, with Norway next Tuesday.

Cascarino hurt his left leg calf muscle two weeks ago and has not trained since.

Mexico's coach, Miguel Mejia Baron, irritated by reports that members of the national federation have criticized his players, as well as mounting pressure from the Mexican media for changes, made three for Friday's match.

He left out defender Raúl Gutiérrez, midfielder Benjamin Galindo and midfielder Luis Valdez, naming Alberto Garcia Aspe, a left-footed playmaker who was suspended for the opening game, experienced striker Carlos Hermosillo and utility midfielder Jorge Rodríguez to replace them.

Jack Charlton, Ireland's coach, during a practice session in Orlando, Florida.

(Reuters, AP)

Still Contenders (at Least Contentious)

By Santiago O'Donnell
Washington Post Service

WELLESLEY, Massachusetts — It began as an innocent game of foot-volleyball, three players on each side of a wooden bench, one team led by midfielder Diego Maradona, the other by striker Gabriel Batistuta.

The Argentine team was in the midst of a light practice at its Babson College headquarters, a day after its 4-0 romp past Greece in its opening match at nearby Foxboro Stadium.

Batistuta, who scored a hat trick against Greece, was scoring once again against his teammates across the bench. His team was leading, 10-4, and Maradona was furious. "Nine to six!" Maradona shouted as he prepared to serve.

"No way!" Batistuta shot back. From there on, every point degenerated into an endless debate.

The exchange between the World Cup's leading scorer and soccer's most recognizable name underscores the win-at-any-cost attitude that now makes the Argentine team one of the candidates to win the World Cup.

"This is a very evenly matched tournament," said Batistuta. "The winner is going to be the team that remains focused throughout the tournament, and that's what we want to do."

The informal 30-minute workout was an excuse for more than 300 reporters to swarm over the Argentine players for comment in the aftermath of the game against Greece. Before, Argentina was lightly regarded by most soccer experts.

Maradona, 34, the star of the 1986 World Cup, had been dismissed as an overweight has-been and the Argentine team was given little chance to win the Cup, again despite appearing in three of the past four championship games.

But that view changed after Argentina overwhelmed a weak Greek team and Maradona scored a spectacular goal, while leading candidates Italy and Colombia were losing. Reporters from Boston to Bangladesh were now elbowing their way toward the Argentine players to ask whether they felt vindicated. As always, Maradona monopolized.

"What would you say to all the critics who said you couldn't play anymore after yesterday's performance?" a Brazilian television reporter asked.

"I'll answer with another question: What can they say after yesterday's game?" he replied. "I give my answers in the playing field."

Batistuta, 25, was asked whether he ever expected to score a hat trick in World Cup competition.

"Never," he said, with a deadpan expression.

As a kid growing up in a small town in the Argentine pampas, he continued, he dreamed of becoming the World Cup's top scorer. But even for a deadly shooter like Batistuta — he has 25 goals in 29 matches playing for Argentina — three goals in a World Cup game was too much to expect, he said.

"It is often said that six goals is enough to win the scoring title," said Batistuta, who plays for Fiorentina in Italy and is appearing in his first World Cup. "I'm halfway there."

As Maradona was leaving practice, he was asked about his soccer-volleyball foe.

"What can I say? He's a goal scorer," the team's captain replied with a shrug. "You can give him a million passes during a game and he won't return any, because all he thinks about is shooting at goal."

Then Maradona let out a smile.

"You know what? I hope he never gives the ball back. I hope he never changes because we need his goals."





































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